**STATE OF NEW YORK**
**PUBLIC SERVICE COMMISSION**

CASE 25-S-0741 Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Steam Service.

# JOINT PROPOSAL

September 4, 2026

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## JOINT PROPOSAL

THIS JOINT PROPOSAL ("Proposal") is made as of the 4th of September 2026, by and among Consolidated Edison Company of New York, Inc. ("Con Edison" or "Company"), New York State Department of Public Service Staff ("Staff"), Brooklyn Navy Yard Cogeneration Partners, L.P., Consumer Power Advocates ("CPA"), New York Energy Consumers Council, Inc. ("NYECC"), and UtiliSave, LLC (collectively referred to herein as the "Signatory Parties"). The following party has indicated that they will not oppose this Proposal: Utility Intervention Unit of the New York State Department of State's Division of Consumer Protection ("UIU").

### Background

On November 26, 2025, Con Edison proposed changes to its steam rates and tariff,[1] to be effective November 1, 2026.[2] Although the Company proposed a one-year steam rate plan, it included information in its testimony and exhibits to facilitate consideration of a multi-year rate plan during settlement discussions.

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[1] Schedule for Steam Service, P.S.C. No. 4 – Steam ("Steam Tariff").

[2] Con Edison is currently operating under the steam rate plan approved in 2023, which sets rates for the three-year period beginning November 1, 2023 and ending October 31, 2026. *See* Case 22-S-0659, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Steam Service, *Order Adopting Terms of a Joint Proposal* (issued and effective November 16, 2023) (2023 Rate Order).

On December 17, 2025, the administrative law judge ("ALJ") appointed to preside over the proceedings held a virtual procedural conference, which was immediately followed by a Company presentation on the filing. On December 23, the ALJ issued a procedural schedule. On February 25, 2026, as revised on February 27, the Company filed a narrative statement on non-material changes to its rate filing. On March 27 and March 31, four parties filed timely direct testimony.[3] On April 17, the Company, Staff and NYECC filed rebuttal testimony. On April 17, the Company also filed a notice that settlement negotiations would commence on May 6.[4] On April 17, the Company filed a request for a settlement judge, and one was appointed. The parties thereafter engaged in settlement meetings on May 6,[5] May 21, June 4, June 11, June 26, June 29, July 1, July 14, July 16, July 30, July 31, August 14, August 19, August 25, and August 26; including "breakout" meetings on specific topics. Settlement negotiations were held via teleconference, and all settlement negotiations were conducted in accordance with the Commission's Settlement Rules, 16 NYCRR §3.9. Parties engaged in discovery throughout the process, with the Company responding to approximately 850 formal discovery requests.

The parties' negotiations have been successful and have resulted in this Proposal, which is presented to the Commission for its consideration.

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[3] Parties filing initial testimony were Staff, City of New York, NYECC, and UtiliSave LLC.

[4] This notice was filed with the Secretary to the Commission ("Secretary").

[5] On April 17, 2026, the Company filed a letter with the Secretary agreeing to a 60-day extension of the statutory suspension period in this proceeding subject to a "make-whole" provision that would keep the Company and its customers in the same position they would have been absent the extension.

**Overall Framework**

This Proposal sets forth terms and conditions for a three-year steam rate plan ("Rate Plan"). The Proposal also contains provisions supportive of and in furtherance of the objectives of the Climate Leadership and Community Protection Act ("CLCPA").

## A. Term

The Rate Plan proposed herein, if adopted by the Commission, would be effective as of November 1, 2026, and continue through October 31, 2029. Certain provisions of this Proposal may continue thereafter as set forth in sections F and K.1.

For the purposes of this Proposal, Rate Year means the 12-month period starting November 1 and ending October 31; Rate Year 1 ("RY1") means the 12-month period starting November 1, 2026 and ending October 31, 2027; Rate Year 2 ("RY2") means the 12-month period starting November 1, 2027 and ending October 31, 2028; and Rate Year 3 ("RY3") means the 12-month period starting November 1, 2028 and ending October 31, 2029.

## B. Rates and Revenue Levels

This Proposal recommends changes to the Company's steam base rates and charges designed to produce an additional $13.34 million in revenues on an annual basis starting in RY1, an additional $42.47 million in revenues on an annual basis starting in RY2, and an additional $39.21 million in revenues on an annual basis starting in RY3.[6]

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[6] Appendix 1 provides the total revenue requirement for each Rate Year.

Revenue changes by service class are shown in Appendix 10. Typical bill impacts are shown in Appendix 12.

The Signatory Parties propose that these base rate changes be implemented on a shaped basis to reduce bill volatility over the term of the Rate Plan. The annual shaped rate changes result in base rates at the end of the three-year term of the Rate Plan that are lower than they would otherwise be under a non-shaped approach. Accordingly, if the Company does not file for new rates to be effective November 1, 2029, the Company will make a compliance filing by October 1, 2029 to set rates effective November 1, 2029 at a level designed to produce base rate revenues on an annual basis that are higher by $12.41 million. Such compliance filing will include tariff leaves to effectuate the change in base rates to all classes on a uniform percentage basis in proportion to their respective RY3 pure base revenue, and also reflect the discontinuation of providing the unbilled revenues offset of $14.04 million[7] described in section G.10.[8]

The incremental steam revenue increases and associated impacts are shown below:[9]

[7] The variance between the $14.04 million and the $13.7 million in section G.10 reflects the gross up for revenue requirement.

[8] If the Company does not file for new rates to be effective November 1, 2029, the total increase in the year after RY3 would be $26.45 million. See Appendix 10, Table 4.

[9] As detailed on page 10 in Appendix 1, the cumulative shaped revenue increase is $163.29 million and the cumulative unshaped revenue increase is $164.17 million over the three years of the Rate Plan.

| | | Non-Shaped | Shaped[10] |
|---|---|---|---|
| RY1 | Revenue Increase | $13.34M | $26.58M |
| | Impact on Pure Base Revenue[11] | 2.3% | 4.6% |
| | Impact on Total Bill | 1.8% | 3.5% |
| RY2 | Revenue Increase | $42.47M | $27.52M |
| | Impact on Pure Base Revenue | 7.1% | 4.5% |
| | Impact on Total Bill | 5.6% | 3.5% |
| RY3 | Revenue Increase | $39.21M | $28.50M |
| | Impact on Pure Base Revenue | 6.2% | 4.5% |
| | Impact on Total Bill | 4.9% | 3.5% |

The major components of the steam revenue requirements underlying this Proposal are set forth in Appendix 1. These revenue requirements reflect the amortizations of various customer credits and debits on the Company's books of account that have previously been or are projected to be deferred by the Company. The list of deferred customer credits and debits to be amortized during the term of the Rate Plan is attached as Appendix 2. Details regarding the projected sales revenues can be found in Appendix 3.

## C. Capital Structure and Cost of Financing

The steam revenue requirements are based on a return on equity ("ROE") of 9.50 percent for the term of the Rate Plan as well as a capital structure that reflects a 48.00 percent common equity ratio for the term of the Rate Plan. The steam revenue

[10] The shaped rate changes produce consistent total bill impacts for each Rate Year as opposed to levelized rate changes that produce consistent rate changes in each Rate Year. The shaped rate changes are inclusive of interest on the deferred rate increase calculated at the Other Customer-Provided Capital Rate.

[11] "Pure Base Revenue" as defined in the Steam Tariff (Leaf 6).

requirements also reflect a cost of long-term debt of 4.86 percent for RY1, 5.00 percent for RY2, and 5.10 percent for RY3.

## D. Computation and Disposition of Earnings

Following each of RY1, RY2 and RY3, Con Edison will compute the earned rate of return on common equity for its steam business for the preceding Rate Year. The Company will file this computation of earnings with the Secretary no later than sixty (60) days after the end of each Rate Year.

For informational purposes, the Company will include with its computation of earnings: (1) a breakdown of actual Operations & Maintenance ("O&M") expenses categorized by major element of expense (*e.g.,* total labor rather than labor by each individual department); and (2) a broad explanation of the general drivers (*e.g.*, sales revenues, major O&M category, net plant, equity ratio) of any variance between the Company's actual results and the forecasts contemplated in the Rate Plan.

### 1. Earnings Sharing Threshold

If the level of earned common equity return for any Rate Year exceeds 10.00 percent ("Earnings Sharing Threshold"), the amount in excess of the Earnings Sharing Threshold will be deemed "shared earnings" for the purposes of this Proposal. One-half of the revenue requirement equivalent of any shared earnings above 10.00 percent but less than 10.50 percent will be deferred for the benefit of customers and the remaining one-half of any such shared earnings will be retained by the Company; seventy-five (75) percent of the revenue requirement equivalent of any shared earnings equal to or in excess of 10.50 percent but less than 11.00 percent will be deferred for the benefit of customers and the remaining twenty-five (25) percent of any shared earnings will be retained by the Company; and ninety (90) percent of the revenue requirement equivalent of any shared earnings equal to or in excess of 11.00 percent will be deferred for the benefit of customers and the remaining ten (10) percent of any shared earnings will be retained by the Company.

**2. <u>Earnings Calculation Method</u>**

For each Rate Year, for purposes of determining whether the Company has earnings above the Earnings Sharing Threshold:

a. The calculation of return on common equity capital will be "per books," that is, computed from the Company's books of account for each Rate Year, excluding the effects of (i) Company performance-based revenue adjustments (*e.g.*, Steam Variance Performance Metric); (ii) the Company's share of property tax refunds earned during the applicable Rate Year; (iii) any other Commission-approved ratemaking incentives and revenue adjustments in effect during the applicable Rate Year; (iv) the amount of expense for awards under the Company's Executive Incentive Program, and (v) all refunds and/or charges against earnings required by the recovery of a portion of the Steam revenue requirement through the revenue adjustment mechanism as detailed in section F.15.

b. Such earnings computations will reflect the lesser of: (i) an equity ratio equal to fifty (50) percent, or (ii) Con Edison's actual average common equity ratio. Con Edison's actual common equity ratio will exclude all components related to "other comprehensive income" that may be required by generally accepted accounting principles; such charges are recognized for financial accounting reporting purposes but are not recognized or realized for ratemaking purposes.

c. If the Company does not file for new base rates to take effect after the expiration of RY3, the Earnings Sharing Threshold and the other earnings sharing thresholds will continue until base rates are reset by the Commission. Such calculation will be performed on an annual basis in the same manner as set forth above. Revenue targets and trued-up expenses contained in Appendix 5 will be based on RY3 levels.

d. The actual average rate base for any stay-out period less than 12 months will be adjusted by an operating income ratio factor. This adjustment to rate base is intended to align operating income to the level of rate base that generated that income. This factor will be calculated as the ratio of operating income during the same partial year period in the previous Rate Year to the total operating income for that Rate Year. This methodology is illustrated in Appendix 6.

**3. Disposition of Shared Earnings**

For earnings above the related Earnings Sharing Threshold in any Rate Year, the Company will apply fifty (50) percent of its share and the full amount of the customers' share of earnings above the sharing threshold that would otherwise be deferred for the benefit of customers under this Proposal, to reduce under-collection of Site Investigation and Remediation costs ("SIR Costs") deferred in the Rate Year.[12]

In the event the amount of shared earnings available to reduce deferred under-collection of SIR Costs exceeds the amount of such deferred under-collection, the Company will first apply the amount of the excess to reduce other interest-bearing deferred costs accumulated in the Rate Year (*i.e.*, the net amount of deferred costs

[12] Under-collection of SIR costs is defined as the change in the net balance between the SIR regulatory asset account (excluding amortizations) and the SIR liability account.

accumulated during the rate year after accounting for any offsetting regulatory liabilities). Any remaining excess shall then be applied to reduce other deferred costs accumulated in the Rate Year. The Company's annual earnings report will include the amount, if any, of deferred under-collection of SIR Costs written down with the Company's and the customers' respective shares of earnings above the earnings sharing thresholds. If applicable, the Company's annual earnings report will identify any other deferred costs reduced by application of shared earnings and the amount of shared earnings used for that purpose.

## E. Capital Expenditures and Net Plant Reconciliation

### 1. Net Plant Reconciliation

The revenue requirements for RY1, RY2 and RY3 reflect the Average Steam Plant In Service Balances set forth in Appendix 5.

The Average Steam Plant In Service Balances reflect a level of capital expenditures supported by various capital programs and projects. The Company, however, has the flexibility over the term of the Rate Plan to modify the list, priority, nature, and scope of its capital programs and projects.[13]

The Company will defer for the benefit of customers the revenue requirement impact (*i.e.*, carrying costs, including depreciation, as identified in Appendix 5) of the amount by which the Company's actual expenditures for steam capital programs and

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[13] The parties expect the Steam Digital Optimization Software (Phase 2) project, which has decarbonization benefits because it reduces carbon emissions, to be completed expeditiously. Due to the special nature of this project, funds allocated for it may be reallocated during the Rate Plan only if the project costs less than anticipated.

projects result in actual average net plant (excluding removal costs) that is less than the amount included in the Average Steam Plant In Service Balances (excluding removal costs), as set forth in Appendix 5, for RY1, RY2 and RY3.[14]

The reconciliations to Average Steam Plant In Service Balances for RY1, RY2 and RY3 will be cumulative; that is, a revenue requirement impact deferral will be required under this provision if the cumulative revenue requirement impact of the Company's actual average net plant for the 36-month period covered by the Rate Plan is below the amount included in the Average Steam Plant In Service Balances over such period as shown on Appendix 5.

The Future of Fifth is a major municipal infrastructure project that may begin during the term of the Rate Plan. There is no funding included in the revenue requirements for this project. Should the Company incur capital expenditures for the project during the term of the Rate Plan, the Company may defer the return on the non-interest-bearing construction work in progress balance for the Future of Fifth capital expenditure costs, calculated at the Company's authorized pre-tax rate of return.

### 2. Infrastructure Investment and Jobs Act Funding

If the Company receives funding under the Infrastructure Investment and Jobs Act, customers will receive the revenue requirement impact of the decrease in program or project costs. Specifically, the Company will sur-credit the carrying charge associated

[14] The revenue requirement impact will be calculated by applying an annual carrying charge factor (see Appendix 5) to the amount by which the actual net plant was below the amount included in the Average Steam Plant In Service Balances.

with any federal funding received. The sur-credit will begin when the underlying project goes in-service and the Company is in receipt of the federal funding.

### 3. <u>Reporting Requirements</u>

The Company will provide a quarterly Steam Capital Expenditure Report. The information to be contained in the report will be as stated in Appendix 7.

## F. <u>Other Deferral Accounting and Reconciliation Mechanisms</u>

The Company will defer/reconcile costs and related items as detailed in this section. Reconciliations will be to the levels provided in rates, as set forth in Appendix 5. Variations subject to recovery from or to be credited to customers will be deferred on the Company's books of account over the term of the Rate Plan and continue until modified by the Commission (unless otherwise specified in this Proposal), and the revenue requirement effects of such deferred debits and credits, as the case may be, will be addressed in future steam base rate proceedings, except as addressed in section D.3.

### 1. <u>Property Taxes</u>

If the level of actual steam expense for property taxes, excluding the effect of property tax refunds (as defined in section G.4), varies in any Rate Year from the projected level provided for in rates, as set forth in Appendix 5, the full amount of the variation will be recovered from or credited to customers via surcharge/sur-credit through the SMA.

Prior to implementing the surcharge/sur-credit, and by March 31 of each year, the Company will provide Staff for its review and verification the surcharge/sur-credit amounts and supporting workpapers/documentation. The Company may begin to implement recoveries/credits 90 days after the provision of supporting workpapers/documentation to Staff. Subsequent to Staff's review, if any adjustments and/or corrections need to be made to the surcharge/sur-credit amounts and the surcharge/sur-credit has already been implemented, such adjustments and/or corrections will be implemented as soon as practicable.

Surcharge recoveries from this reconciliation will be subject to an annual cap that produces no more than a half (0.5) percent total bill impact.[15] 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. At the end of RY3, any residual unrecovered amounts exceeding the upcoming year's annual surcharge cap shall be deferred, with carrying charges applied at the Company's pre-tax weighted average cost of capital, for future disposition by the Commission.

**2. <u>Pensions/OPEBs</u>**

Pursuant to the Commission's Pension/OPEB Policy Statement,[16] the Company will reconcile its actual pensions/Other Post-Employment Benefits ("OPEBs") expenses to the level allowed in steam rates as set forth in Appendix 5.

The Pension/OPEB Policy Statement provides that companies may seek prospective interest accruals or rate base treatment for amounts funded above the cost

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[15] A half percent total bill impact is currently equivalent to \$3.8 million, \$3.9 million, \$4.0 million for RY1, RY2, and RY3.

[16] Case 91-M-0890, In the Matter of the Development of a Statement of Policy Concerning the Accounting and Ratemaking Treatment for Pensions and Post-Retirement Benefits Other Than Pensions, *Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Post-Retirement Benefits Other Than Pensions* (issued September 7, 1993) ("Pension/OPEB Policy Statement").

recoveries included in rates.[17] During the term of the Rate Plan, the Company may be required to fund its pension plan at a level above the rate allowance pursuant to the annual minimum pension funding requirements contained within the Pension Protection Act of 2006. The Company, its actuary, and the parties are unable to predict with certainty if the minimum funding threshold will exceed rate recoveries during the term of the Rate Plan. In lieu of a provision in this Proposal addressing the Company's additional financing requirements should it be required to fund its pension plan above the level provided in rates during the term of the Rate Plan, the Proposal does not preclude the Company from petitioning the Commission to defer the financing costs associated with funding the pension plan at levels above the current rate allowance should funding above the rate allowance be required; the Company's right to obtain authority to defer such financing costs on its books of account will not be subject to requirements respecting materiality.

### 3. <u>Environmental Remediation</u>

Actual expenditures for site investigation and remediation allocated to Con Edison's steam business,[18] including expenditures associated with former manufactured gas plant sites, Superfund and 1994 Department of Environmental Conservation Consent Order Appendix B sites (collectively referred to as SIR Costs), will be deferred on the

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[17] *See* Pension/OPEB Policy Statement, Appendix A, page 16, footnote 3.

[18] These costs are the costs Con Edison incurs to investigate, remediate, or pay damages (including natural resource damages, with respect to industrial and hazardous waste or contamination spills, discharges, and emissions) for which Con Edison is deemed responsible. These costs are net of insurance reimbursements (if any); nothing herein will require the Company to initiate or pursue litigation for purposes of obtaining insurance reimbursement, nor preclude or limit the Commission's authority to review the reasonableness of the Company's conduct in such matters.

Company's books of account and amortized as shown on Appendix 5. The deferred balances subject to interest will be reduced by accruals, insurance recoveries, associated reserves, deferred taxes, and amounts included in rate base (see Appendix 1). The deferred balances may be reduced by excess earnings per section D.3. The amortization period for SIR Costs will continue to be five (5) years.

**4. Non-Officer Management Variable Pay**

The revenue requirements reflect expenses for the Company's Non-Officer Management Variable Pay Program. The Company will defer for future credit to customers the amount by which the actual expense in any Rate Year is less than the amount shown on Appendix 5 for that program for that Rate Year.

**5. Municipal Infrastructure Support (Other Than Company Labor)**

If actual non-Company labor Municipal Infrastructure Support expenses (*e.g.*, contractor costs) vary from the level provided in rates for any Rate Year, which level is set forth in Appendix 5, one hundred (100) percent of the variation below the target will be deferred on the Company's books of account and credited to customers, and eighty (80) percent of the variation above the target within a band of thirty (30) percent[19] will be deferred on the Company's books of account and recovered from customers. Non-company labor expenses above the target plus thirty (30) percent are not recoverable from customers except as follows: if actual non-Company labor Municipal Infrastructure Support expenses vary from the level provided in rates above the target plus thirty (30)

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[19] *E.g.*, for RY1 the maximum deferral is calculated as $16.302 million x 30 percent x 80 percent = $3.913 million.

percent, and such increased expenses are directly attributable to the Future of Fifth project or any other public works or municipal infrastructure project with a projected total cost in excess of $100 million, eighty (80) percent of the variation above the target plus thirty (30) percent, will be deferred on the Company's books of account for future recovery from customers.

If the Company defers costs that exceed the target amount by more than thirty (30) percent in a Rate Year, then by March 31 of the following year, it will provide Staff for its review and verification the supporting workpapers/documentation for such deferral. If Staff identifies any concerns that it is unable to resolve with the Company, those concerns will be addressed in a subsequent rate case or as otherwise determined by Staff.

### 6. <u>Long Term Debt Cost Rate</u>

The weighted average cost of long-term debt during the term of the Rate Plan is set forth in Appendix 1 for RY1, RY2 and RY3. As set forth in Appendix 5, included in those weighted average cost rates is a Variable Rate Debt (*i.e.*, the Company's entire portfolio of floating-rate debt, including tax-exempt and taxable debt). The Company will be allowed to true-up its actual weighted average cost of Variable Rate Debt during RY1, RY2 and RY3 to the cost rates for Variable Rate Debt reflected in Appendix 5. In the event the Variable Rate Debt[20] is refinanced with tax-exempt or taxable debt (which may include retiring the Variable Rate Debt) prior to November 1, 2029 (including under circumstances not contemplated by the Commission's *Order Authorizing Issuance of*

[20] The cost of Variable Rate Debt includes the costs of any credit support measures, such as letter of credit or bond insurance.

*Securities*, issued March 15, 2024 in Case 23-M-0694, and therefore requiring Commission authorization), the Company will include its costs associated with the refinancing of the Variable Rate Debt in the amounts to be reconciled.

**7. Prospective Sales and Use Tax Refunds/Assessments**

Sales and Use Tax refunds and/or assessments allocated to steam that are not reflected in the Rate Plan will be deferred for future disposition or collection. Additionally, the Company is not relieved of the requirements of 16 NYCRR §89.3 with respect to any refunds it receives.[21]

**8. Congestion Tolling Program**

The Company's revenue requirements do not reflect congestion charges under the NY State Congestion Tolling Program. To the extent that the Company incurs incremental congestion charges during the term of the Rate Plan, the Company will defer these costs on its books of account for future recovery from customers.

**9. Uncollectible Expense**

The steam revenue requirements reflect an annual allowance for uncollectible accounts write-offs in the amount of $763,000, $794,000, and $820,000 for RY1, RY2, and RY3, respectively. If the Company's three-year cumulative actuals are above the three-year cumulative amount in rates of $2,377,000, the Company will absorb the cost difference within a five-basis point dead band as calculated at the end of RY3.[22] The

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[21] Refunds resulting from triennial true-ups (as opposed to those resulting from litigation or the New York State Department of Taxation and Finance's conciliation process) are "ordinary operating refunds" that are not reportable under 16 NYCRR §89.3.

[22] Such amount is estimated to be $0.8 million in RY3.

Company will defer write-offs above the five-basis point dead band for future disposition by the Commission. The deferral will include carrying charges applied at the Company's pre-tax weighted average cost of capital.

**10. Research and Development Expense**

Research and Development ("R&D") expenses reflected in the revenue requirements for each of RY1, RY2 and RY3 are set forth in Appendix 5. The Company will allocate the costs of common R&D projects to steam only if the projects are expected to provide benefits to steam customers and/or the steam system. In the event the Company's actual R&D expenses for steam are less than the target level for a particular Rate Year, the Company will defer on its books of account the amount of such underspending for future credit to customers, subject to any such deferred amount being reduced by up to the amount of actual expenditures in any and all subsequent Rate Years that exceeds the target level for that Rate Year(s) by not more than 20 percent. The Company has the flexibility over the term of the Rate Plan to modify the list, priority, nature, and scope of the R&D projects to be undertaken.

**11. Steam Decarbonization Deferral**

The Company may defer for future recovery the costs of decarbonization studies incurred during the term of this Rate Plan that are determined to be needed as a result of the Steam Decarbonization Collaborative (see section J).

**12. Proceeds from the Sales of $SO_2$ Allowances**

The Company's revenue requirements do not reflect any proceeds from the sale of $SO_2$ allowances that might be received. Any proceeds from the sale of $SO_2$ allowances will be deferred on the Company's books of account for future credit to customers. The allocation of such proceeds between steam and electric will continue to be computed according to the method established in the *Order Determining Revenue Requirement and Rate Design*, issued September 22, 2006, in Case 05-S-1376.

**13. <u>Asbestos Removal Program</u>**

The revenue requirements include O&M funding for the Asbestos Removal Program (as set forth in Appendix 5). The Company will defer for the benefit of customers any cumulative shortfall over the term of the Rate Plan between actual expenses for the program and the levels provided in rates.

**14. <u>Corporate Alternative Minimum Tax ("CAMT")</u>**

The Inflation Reduction Act of 2022 adjusted the CAMT for certain corporations. The Internal Revenue Service has not yet issued final regulations implementing the law, so there remains uncertainty regarding the Company's estimated CAMT liability. For each of RY1, RY2, and RY3, the Company will reconcile the revenue requirement impact of any CAMT liability or CAMT credit carry forward Deferred Tax Asset (DTA) amounts arising from tax years 2025 – 2028.

**15. <u>Revenue Adjustment Mechanism</u>**

The Company is investigating non-conforming welds. Due to uncertainty as to whether weld-related costs have been included in the historical test year (twelve months from July 1, 2024 through June 30, 2025) and/or RY1 through RY3 that the Commission may later determine to be inappropriate, $0.5 million that is included in the annual revenue requirement ($1.5 million over three years) will be recovered through a revenue adjustment mechanism and therefore subject to refund. Any refund will be returned in the manner specified by the Commission.

**16. <u>NYC Local Law 11</u>**

The Company is required to comply with NYC's Local Law 11, which mandates certain façade and safety inspections over a five-year cycle. The revenue requirement includes funding to comply with Local Law 11 (as set forth in Appendix 5). To provide the Company flexibility to sequence the work efficiently within the five-year compliance cycle, the Company may defer up to $7.2 million in incremental Local Law 11 compliance costs incurred over the term of the Rate Plan.

**17. <u>Additional Reconciliation/Deferral Provisions</u>**

In addition to the foregoing reconciliation provisions, along with all other provisions of this Proposal embodying the use of a reconciliation and/or deferral accounting mechanism, all other applicable existing reconciliations and/or deferral accounting will continue in effect through the term of the Rate Plan and thereafter until modified or discontinued by the Commission, except for those expressly identified in this Proposal for discontinuation. Continuing reconciliation and/or deferral accounting mechanisms include, but are not limited to, Financial Accounting Standards ("FAS") 109 taxes, MTA taxes, the fuel adjustment mechanism, and the Special Monthly Adjustment ("SMA") mechanism.

**18. <u>Stub Period Reconciliation Targets</u>**

The revenue and expense reconciliation target for any stay-out period of less than 12 months shall be prorated based on the number of months in the reconciliation period, unless otherwise specified in the applicable reconciliation mechanism. For purposes of this provision, the prorated reconciliation target shall equal the applicable annual revenue and expense reconciliation target, as shown on Appendix 5, multiplied by the number of months in the reconciliation period divided by 12.

**19. Terminated Reconciliation and Deferrals**

**a. Covid Uncollectible Expense and Late Payment Charge Reconciliation**

The Covid Uncollectible Expense and Late Payment Charge reconciliation is terminated.[23]

## G. Additional Accounting Provisions

**1. Productivity**

The revenue requirements include a two (2) percent labor-productivity adjustment for each of RY1, RY2, and RY3.

**2. Depreciation Rates and Reserves**

**a. Depreciation Rates**

The average services lives, net salvage factors and life tables used in calculating the depreciation reserve and establishing the revenue requirements are set forth in Appendix 8.

The average service lives, net salvage factors, life tables and resulting depreciation rates have been agreed to for the purposes of this Proposal, but such

[23] Final reconciliations for the difference between actual sales and forecasted sales under the existing Covid Uncollectible Expense and Late Payment Charge reconciliations will occur beyond October 31, 2026.

agreement does not necessarily imply endorsement of any specific methodology by any Signatory Party.

**b. Reserve Deficiency**

In addition to the depreciation expense produced by the application of the rates summarized in Appendix 8, the Company will continue amortizations of the book depreciation reserve deficiency for Hudson Ave ($0.8 million per year) and 59th Street leasehold ($0.2 million per year). An additional $7.3 million of annual depreciation expense will be realized in connection with the recovery of the steam depreciation reserve deficiency.

**3. Interest on Deferred Costs**

The Company is required to record on its books of account various credits and debits that are to be charged or refunded to customers. Unless otherwise specified in this Proposal or by Commission order, the Company will accrue interest on these book amounts, net of federal and state income taxes, at the Other Customer-Provided Capital Rate published by the Commission annually. FAS 109 and MTA tax deferrals are either offset by other balance sheet items or reflected in the Company's rate base and will not be subject to interest.

**4. Prospective Property Tax Refunds and Credits**

Property tax refunds allocated to steam that are not reflected in the Rate Plan and that result from the Company's efforts, including credits against tax payments or similar forms of tax reductions (intended to return or offset past overcharges or payments determined to have been in excess of the property tax liability appropriate for Con Edison), will be deferred for future disposition, except for an amount equal to fourteen

(14) percent of the net refund or credit, which will be retained by the Company. Incremental expenses incurred by the Company to achieve the property tax refunds or credits will be offset against the refund or credit before any allocation of the proceeds is calculated.[24] The deferral and retention of property tax refunds and credits will be subject to an annual showing in a report filed with the Secretary of the Company's ongoing efforts to reduce its property tax burden, in March of each Rate Year. Additionally, the Company is not relieved of the requirements of 16 NYCRR §89.3 with respect to any refunds it receives.

### 5. **Income Taxes and Cost of Removal Audit**

On January 11, 2018, the Commission issued an order commencing a focused operations audit to investigate the cost of removal ("COR") income tax accounting of Con Edison and other New York State utilities in Case 18-M-0013 ("COR Audit").[25] Specifically, the COR Audit focuses on determining whether an error in income tax accounting occurred with respect to COR as alleged and whether Con Edison ratepayers received the benefit of lower income tax expenses in rates as a result of the claimed errors. The COR Audit is ongoing. The Signatory Parties reserve all of their administrative and judicial rights to take and pursue their respective positions with respect to all issues, rulings and decisions in Case 18-M-0013.

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[24] These shall not reflect the incremental expenses incurred by the Company resulting solely in the reduction of future assessments.

[25] Case 18-M-0013, In the Matter of a Focused Operations Audit to Investigate the Income Tax Accounting of Certain New York State Utilities, *Order Approving and Issuing the Request for Proposals Seeking a Third-Party Consultant to Perform Audits to Investigate the Income Tax Accounting of Certain New York State Utilitie*s (issued January 11, 2018).

**6. Allocation of Common Expenses/Plant**

During the term of the Rate Plan, common expenses and common plant will be allocated according to the percentages reflected in the steam revenue requirement calculations, as shown in Appendix 9. Should the Commission approve different common allocation percentages for electric, gas and/or steam service prior to the next steam base rate case, the resulting steam annual revenue requirement impacts will be deferred for future recovery from or refund to customers.

**7. Allocation of Intercompany Shared Services Expense**

Common expenses incurred by Consolidated Edison, Inc. ("CEI"), which are not directly charged services, are allocated under a three-factor formula to its subsidiaries. During the term of the Rate Plan, the Company will allocate expenses for these intercompany shared services for each Rate Year under a three-factor allocation using forecasted operating revenue, segment payroll, and assets for each CEI subsidiary. If a CEI subsidiary has equity method investments, the revenue factor for that subsidiary will include a proportionate share of its equity method investments' revenues.

**8. Property Tax Forecasting**

In its next steam base rate filing, if the Company does not present property tax forecasts under the forecasting methodology utilized in the Company's 2022 base rate filing, the Company shall nevertheless provide the forecasts under the method for informational purposes (in addition to testimony supporting its chosen property tax forecasting methodology in that proceeding). In such situation, detailed workpapers supporting the forecasts under both methodologies will be provided in response to the pre-filed IRs in that proceeding.

**9. Municipal Infrastructure O&M Expense Tracking**

The Company will implement project level O&M tracking for the Future of Fifth and any other public works or municipal infrastructure project with a projected total cost in excess of $100 million before the start of RY1. The Company will expand project-level O&M tracking to any other public works or municipal infrastructure project with a projected total cost in excess of $65 million by the end of RY1. The Company will implement O&M expense tracking at a "functional category" level for all other municipal infrastructure projects by the end of RY1. The functional categories will capture work by categories that align with current NYC interference categories (*e.g.,* emergency water and sewer, highway plaza, pedestrian ramps, green infrastructure, school safety, water mains). The Company will identify the approximate number of projects for each functional category. The Company will use best efforts to identify the actual number of projects for each functional category.

**10. Unbilled Revenue Adjustment Balance in Rate Base**

In Case 08-M-1150, the Commission authorized the Company to accrue unbilled revenue for accounting and regulatory purposes. The adoption of that Order resulted in a one-time adjustment, which was recorded as a regulatory liability and set aside for future rate mitigation. The steam revenue requirements as set forth in Appendix 1 reflect an annual reduction of $13.73 million for steam, $41.20 million accumulated over the Rate Plan, serving as a cash benefit reducing the revenue collected from customers for rate mitigation purposes. Since these annual benefits represent a cash reduction that the Company has not received in rates, an offsetting regulatory asset of Unbilled Revenue Adjustment balance is reflected in the steam rate base. The Signatory Parties agree that the Unbilled Revenue Adjustment regulatory asset balance will remain in the rate base of the Company's future rate cases and shall be reduced or offset by realized net gains resulting from any future sales of the Company's steam properties or other regulatory liabilities, as directed by the Commission. The annual reduction will be discontinued, in the manner set forth in section B, after RY3 to avoid the build-up of a regulatory asset balance.

## H. Revenue Allocation/Rate Design and Tariff Changes

### 1. Revenue Allocation & Rate Design

The allocation of the steam revenue change and changes to the Company's steam rates for each Rate Year are explained in Appendix 10.

### 2. Customer Charges

Service Class ("SC") customer charges will be changed as follows:

| Steam SC | Current | RY 1 | RY 2 | RY 3 |
|---|---|---|---|---|
| SC 1 | $2,089.43 | $2,219.43 | $2,358.43 | $2,507.43 |
| SC 2 Rate I / SC4 Rate I | $5,573.43 | $5,874.43 | $6,189.43 | $6,522.43 |
| SC 2 Rate II / SC4 Rate III | $7,527.43 | $7,813.43 | $8,111.43 | $8,423.43 |
| SC 3 Rate I / SC4 Rate II | $4,558.43 | $4,831.43 | $5,117.43 | $5,419.43 |
| SC 3 Rate II / SC4 Rate IV | $3,787.43 | $3,886.43 | $3,988.43 | $4,094.43 |

### 3. SC 4 (Back-up/Supplementary Service) Study

The Company will conduct a study to evaluate a steam rate design for SC 4 that applies differentiated pricing to peak and off-peak usage reflective of customer class characteristics and system design. The Company shall present study details and the results of this study, including illustrative rates and associated bill impacts for current SC 4 customers, in its next steam rate case filing.

**4. Steam Promotion Rate**

The Company will establish Rider F – Discounted Steam Promotion Rate. Rider F will provide a discount to new and existing steam customers that are connecting new or additional steam loads for ten years. Rider F of the Steam Tariff will contain the customer charge, by block usage charges, and demand charges for each applicable customer class. Included in Rider F is a discount to usage charges above the first block and the demand charges that is equal to two-thirds of: (1) the amounts by which usage charges exceed the base cost of fuel; and (2) the demand charges, respectively. Customers will be subject to all other rates, charges and terms and conditions of service under their applicable SC.

**5. Steam AC Discount**

The Company will move the existing Steam Air Conditioning Discount Program contained under SC 2 and SC 3 Special Provisions D and E to a new Rider, Rider G – Steam Air Conditioning Discount and will modify the provisions of the program as follows:

a) The program will be expanded to include new and existing customers with new and existing steam air conditioning systems.

b) The current flat $2 / Mlb (*i.e.*, 1,000 pounds of steam) summer discount will be replaced with a ten-year percentage discount. The discount will be calculated by taking (i) the customer's usage above the first block usage and in excess of 110% of the customer's usage for the same month from the 12-month period ended June 30, 2025 for existing customers (for new customers such baseline shall be set to zero) and (ii) subtracting the customer's base cost of fuel for that billing cycle, and (iii) multiplying the difference by two-thirds.

c) The tonnage caps that were in the existing Special Provisions D and E will be removed.

### 6. <u>Pressure Correction Factor ("PCF")</u>[26]

#### a. Tariff Changes

General Information Section 3.4.1 will be amended to read as follows:

> Except as otherwise provided in this Rate Schedule, bills will be based on the registration of the Company's meters referenced to 125 pounds per square inch gauge (psig). To accurately measure consumption under pressure conditions other than 125 psig, pressure correction is necessary. Customers individually furnished with a pressure transmitter will show a Pressure Correction Factor of 1.00 on their bill. Customers that have not been furnished with a pressure transmitter will utilize a pressure reading from an assigned pressure district to calculate a Pressure Correction Factor shown on their bill. A map of the Company's steam pressure districts is available on the Company's website. If pressure readings are unavailable for an assigned pressure district, a customer may be temporarily assigned to an alternate pressure district. The alternate pressure district is selected based on an assessment of relevant factors (*e.g.*, available telemetric pressure data,

[26] By the end of RY1, customer bills will show each customer's pressure district.

evaluating pipe sizes for surrounding district transmitters, transmitter performance, and proximity to the failed device).

**Pressure Correction Factor (PCF)**: Steam meters are configured to calculate steam usage at a reference pressure of 125 psig. While the pressure delivered to the customer varies, it is on average higher than 125 psig. The PCF is the ratio of the average steam density of steam delivered during a billing cycle to the steam density at 125 psig. It is applied to accounts for changes in steam density resulting from deviations from the reference pressure. The "Total Usage Mlbs" on a customer's bill reflects consumption with the pressure correction factor applied.

$PCF^{*} = \ \rho actual\ /\ \rho 125$

- *Where:*

ρactual = actual average density of steam

ρ125 = steam density at reference pressure of 125 psig

*If a customer utilizes a Shuntflo type meter, it is necessary to take the square root of the PCF calculated above. Vortex meters require no adjustment to the calculation.

**b. Pressure Correction Interval Data**

If a customer has a billing concern and requests the pressure correction interval data pertinent to that billing concern, the Company's practice is to provide the customer with such interval data. The Company will continue this practice during the term of this Rate Plan. If disputes concerning such requests arise, they will be governed by 16 NYCRR Parts 11, 12, and 13.

**7. Property Tax Itemization**

The Company will itemize on customers' bills the dollar amount attributable to municipal property taxes. The Company will also include a reference in the bill to a Company website detailing the Company's property tax payments. The Company will implement this provision by the end of RY1.

**8. Fuel Adjustment**

For costs, charges, and credits related to fuel and certain other adjustments, the Company will recover such costs and charges, and provide such credits, as incurred, by reflecting these charges, costs and/or credits in monthly statements filed pursuant to the adjustment mechanisms in General Information Section 8 of the Steam Tariff ("Fuel Adjustment").

Any variations between the actual cost of fuel and the cost of fuel reflected in rates will be reconciled. The Company will charge or credit the annual reconciliation of steam fuel expenses and revenues through the Fuel Adjustment.

The Company will also amend General Information Section 8 of the Steam Tariff to reflect the modifications described below:

i. Move the SMA section into its own section in General Information Section 5.

ii. Move the WNA into its own section in General Information Section 5.

iii. Rename General Information Section 8.1 to "Fuel Adjustment."

iv. Update the definition of Pure Base Revenue in General Information Section 2 to exclude the SMA, revenue adjustment mechanism, and WNA and delete "Charge" in Fuel Adjustment Charge to accommodate these changes.

v. Update Rider E - Negotiated Steam Fuel Costs to remove specification that the SMA component of the fuel adjustment is applicable to Rider E customers, as the new SMA surcharge is independent of the Fuel Adjustment.

vi. Remove the obsolete provision Annual Adjustments in General Information Section 8.5 and all references to it throughout the Steam Tariff.

**9. <u>Special Monthly Adjustment</u>**

The SMA mechanism[27] will be assessed in the same manner it is currently assessed, based on the "to" date of customers' bills and billed on a per Mlb basis. Other modifications to the SMA are described below:

i. Continue the provision to refund to customers any negative revenue adjustments and recover from customers any positive revenue adjustments without reference to any specific steam proceeding.

ii. Specify that any under-collections or over-collections after a 12-month period will be reflected in the SMA over the subsequent period(s), subject to any applicable bill impact caps.

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[27] As noted in section H.8, the Company will separate the existing SMA section of the Fuel Adjustment in the Steam Tariff from General Information Section 8. A standalone SMA mechanism will be created in General Information Section 5, Other Charges and Adjustments.

iii. Delete obsolete provisions contained in the existing General Information Sections 8.4(j) and (l).

**10. Base Cost of Fuel**

An adjustment will be made to the usage charges in each class to reflect any increase or decrease made to the current base cost of fuel of $6.1790 per Mlb. The adjustment to the base cost of fuel will be based on (i) the actual average cost of fuel for the twelve months ending August 31, 2026; and (ii) the Company's forecasted monthly fuel costs and equivalent sales for RY1. The average cost of fuel for the 24-month period (12 months ending August 31, 2026 and the 12-month period starting November 1, 2026 and ending October 31, 2027) will be equal to the quotient of the total monthly fuel costs for the period and the total equivalent sales for the same period. Any unrecovered deferred fuel costs resulting from the change in the base cost of fuel will be reflected in the fuel reconciliation.

**11. Weather Normalization Adjustment**

To mitigate the impacts of weather on the Company's steam revenues and on steam customers' bills, the Company will continue the Weather Normalization Adjustment ("WNA") for each November 1 through April 30 period for customers billed under SCs 1, 2, 3, and 5 who use steam for space heating, as detailed in Appendix 4. The WNA will be applied to total steam usage during each November 1 through April 30 period as a per Mlb surcharge or sur-credit.

**a. Reporting**

By June 30 of each year, the Company will file with the Secretary the prior winter's monthly WNA revenue by customer class and in the aggregate.

By September 30 of each year, the Company will file with the Secretary workpapers showing for each affected customer class the derivation of the heating degree day factor and baseload factor for the coming winter. Such workpapers will also show the derivation of the daily Normal Heating Degree Days ("NHDD").

From December through May of each year, the Company will file with the Secretary its Statement of Weather Normalization Adjustments for the prior month.

**b. WNA Collaborative**

Within forty-five (45) days of a Commission Order adopting this Proposal, the Company will convene a collaborative process with interested stakeholders to consider potential alternative approaches to the existing WNA formula and how those changes would impact both customer bills and Company revenues. The Company and interested stakeholders will develop a schedule of milestones for the collaborative process. The collaborative will evaluate the current WNA methodology and explore potential modifications to the inputs used in the WNA calculations, including alternative regression specifications and estimation periods and the process used to determine both Base Load Factors and Heating Degree Day Factors. In addition, the collaborative will examine the impact of different weather normals for use in calculating the WNA. A draft collaborative report will be completed within twelve (12) months of the initial collaborative meeting. A final collaborative report will be filed for informational purposes within fifteen (15) months of the initial collaborative meeting.

If the final collaborative report contains a recommended revised methodology, and if the Company does not adopt and fully utilize such methodology in its next base rate case filing, the Company will file for informational purposes an exhibit that follows the methodology recommended in the final collaborative report in addition to any WNA methodology it uses in such base rate filing. Additionally, the Company will include testimony justifying its filed methodology and explaining why it is not using the recommended methodology in the final collaborative report.

**c. Tariff Changes**[28]

i. The number of NHDD during each Rate Year shall be set at 2,671.

ii. For the purposes of the WNA, Riders F and G customers will be subject to the adjustment that would apply under each customer's otherwise applicable rate.

iii. The regression equation for the WNA will be shown in the tariff rather than refer to Appendix 4 of the Joint Proposal in Case 22-S-0659.

**12. <u>Other Charges</u>**

The Signatory Parties agree that whenever the Company is, or will be subject to, governmental charges, costs, or credits not already listed in or otherwise covered by the then-effective tariff language, notwithstanding the Commission's adoption of this Proposal, the Company is not prohibited from making a tariff filing with the Commission requesting the recovery of such charges/costs, or application of such credits, through an appropriate surcharge/sur-credit mechanism. The proposed tariff amendment will be subject to review and approval by the Commission.

[28] As noted in section H.8, the WNA will be moved from General Information Section 8 to its own section in General Information Section 5 of the Steam Tariff.

### 13. Other Tariff Changes

In addition to the tariff changes required to implement various provisions of this Proposal, additional tariff changes will be made as summarized below. The specific language of the changes will be shown on tariff leaves to be filed with the Commission:

a) The charges for the temporary disconnection and reconnection of service and for steam repairs and other services in General Information Section 4, Special Services Performed by the Company for Customers at a Charge, will be updated.

b) The annual carrying charge percentage associated with interconnection charges assessed under SC 4 will decrease from 13.7% to 12.4%.

c) The following language will be added to General Information Section 3.4.7:

   Every estimated bill will take into account the best available relevant factors for determining the customer's usage and, if applicable, demand. Relevant factors include, but are not limited to, historical consumption data, historical usage data, weather-sensitive factors, and type and operation of metering equipment.

d) The following are housekeeping changes to the tariff:

   i) Remove the obsolete provision Tax Sur-Credit in General Information Section 5.1 and all references to it throughout the tariff.

   ii) Convert rates from cents to dollars to standardize tariff units and align with the Company's dollar-based billing system.

   iii) Delete the obsolete targeted exemption provisions in General Information Section 10.A and Special Provision A of SC 4.

   iv) Make clarifying edits and updates to reflect required information in the application for steam service and delete obsolete provisions.

v) Modify other tariff provisions that are now expiring or obsolete or being made for ministerial purposes in each Rate Year compliance filing.

## I. Performance Metrics

Performance metrics designed to measure various activities that are applicable to the Company and assess negative and/or positive revenue adjustments where performance targets are not met or are exceeded, respectively, are set forth in Appendix 11. Any negative revenue adjustments will be refunded and any positive revenue adjustment will be recovered through the SMA.

## J. Decarbonization Collaborative

The Company will organize and convene a Steam Decarbonization Collaborative for the purpose of engaging collaboratively with interested stakeholders regarding solutions and strategies for achieving net-zero greenhouse gas emissions from the Company's steam system.

The Collaborative is intended to provide a forum for the exchange of ideas among participants and the Company. Participants may submit written proposals and feedback before and after discussions of each topic and, where appropriate, may involve subject-matter experts in topic discussions.

All parties to Case 25-S-0741 will be invited to be participants of the Collaborative. A notice will be issued within forty-five (45) days after the filing of the Proposal inviting the parties and other potentially interested stakeholders to the Collaborative and stating the date the Collaborative will first meet. As presently envisioned, the Collaborative meetings are expected to be completed by August 2027, and a report is expected to be filed in October 2027. However, the participants may agree to extend the Collaborative.

The Company agrees to withdraw its pending Petition for Authorization and Cost Recovery for Early Deployment Steam Decarbonization Projects and a Low Carbon Fuels Pilot Program filed May 21, 2025 in Case 25-S-0350.

**1. Meeting Cadence and Format**

The Collaborative will meet no less frequently than monthly. The participants will make good faith efforts to convene meetings twice monthly, or more frequently as needed, to address the topics identified herein and any other topics identified and agreed to by the participants. Meetings will be held virtually unless otherwise agreed, provided that the Company will host at least three in-person meetings during the course of the Collaborative.

The Company will prepare and disseminate meeting notes and action items after Collaborative meetings to facilitate follow-up and continued discussion among the participants.

**2. Scope of Collaborative**

The Collaborative will address the following topics:

- Topic 1: The Collaborative will discuss (i) how steam emissions are calculated by the Company and stakeholders, (ii) the meaning of decarbonization for the steam system, and (iii) approaches that other steam utilities have taken to decarbonize their systems.
- Topic 2: The Collaborative will discuss potential steam system decarbonization

measures that may be implemented over the next one to fifteen years, taking into account reliability concerns and available electric capacity in the Company's service territory, broken down as follows:

  - Decarbonization efforts in the next 1-3 years (2027-2029)
  - Decarbonization efforts in the next 5 years (2027-2031)
  - Decarbonization efforts in the next 10 years (2027-2036)
  - Decarbonization efforts in the next 15 years (2027-2041)

- Topic 3: The Collaborative will discuss the potential for deploying electric steam-generating assets, including electric boilers, industrial heat pumps, thermal energy storage, and combined cycle resources, as well as the capital and operating costs of each technology, their benefits and impacts, scalability, and locational considerations. The discussion will also include potential emission reductions associated with each technology.
- Topic 4: The Collaborative will explore potential fuel sources for steam production other than electricity, such as renewable natural gas, the Company's proposed voluntary clean steam program, and potential opportunities for additional cogeneration of steam and electricity.
- Topic 5: The Company may propose one or more decarbonization studies. If it does so, the Company will present the justification, projected cost, and anticipated timeframe for each such study. The Collaborative will explore whether such study or studies should be pursued. The Collaborative will discuss whether additional Company employees are needed to support analytical components of

the decarbonization review, including environmental design evaluation, emission control technology, and emissions calculations.

- Additional topics may be added through the Collaborative process.
- A goal of the Collaborative will be to develop actionable recommendations for decarbonization of the steam system that may support the filing of a petition, as appropriate.

### 3. Collaborative Report

The primary deliverable from the Collaborative will be a report covering all of the topics discussed, consensus recommendations, if any, and positions of the participants if consensus is not reached.  The Collaborative participants may determine among themselves how drafting responsibility for the Collaborative report will be allocated.

As presently envisioned, the Company would file the report on the Collaborative with the Commission in October 2027.

## K. Miscellaneous Provisions

### 1. Continuation of Provisions; Rate Changes; Reservation of Authority

Unless otherwise expressly provided herein, the provisions of this Proposal will continue after RY3, unless and until new steam base rates, are set by Commission order. For any provision subject to RY1, RY2 and RY3 targets, the RY3 target shall be applicable to any additional Rate Year(s) unless explicitly provided for herein.

Nothing herein precludes Con Edison from filing a new general steam rate case prior to November 1, 2029, for rates to be effective on or after November 1, 2029.

Changes to the Company's base rates during the term of the Rate Plan will not be permitted, except for (i) changes provided for in this Proposal; and (ii) subject to Commission approval, changes as a result of the following circumstances:

a. A minor change in any individual base rate or rates whose revenue effect is *de minimis*, or essentially offset by associated changes within the same class or for other classes. It is understood that, over time, such minor changes may be necessary and that they may be sought during the term of the Rate Plan, provided they will not result in a change (other than a *de minimis* change) in the revenues that Con Edison's base rates are designed to produce overall before such changes.

b. If a circumstance occurs which in the judgment of the Commission so threatens Con Edison's economic viability or ability to maintain safe, reliable and adequate service as to warrant an exception to this provision, Con Edison will be permitted to file for an increase in base rates at such time under such circumstances.

c. The Signatory Parties recognize that the Commission reserves the authority to act on the level of Con Edison's steam rates in the event of unforeseen circumstances that, in the Commission's opinion, have such a substantial impact on the range of earnings levels or equity costs envisioned by the Rate Plan as to render Con Edison's steam rates unreasonable or insufficient for the provision of safe and adequate service or just and reasonable rates.

d. Nothing herein will preclude any Signatory Party from petitioning the Commission for approval of new services, the implementation of new service classifications and/or cancellation of existing service classifications, or rate design or revenue allocation changes within or among the service classes, which are not contrary to the agreed upon terms and conditions set forth herein. All changes will be implemented on a revenue neutral and earnings neutral basis.

e. The Signatory Parties reserve the right to oppose any filings made under this section.

**2. <u>Legislative, Regulatory and Related Actions</u>**

a. If at any time the federal government, State of New York, and/or the City of New York make changes in their tax laws (including any new, additional, repealed or reduced federal, State, or City of New York taxes, fees or levies, but excluding local property taxes, which will be reconciled in accordance with section F.1) that result in a change in the Company's costs[29] in an annual amount equating to ten (10) basis points of return on common equity or more,[30] and if the Commission does not address the treatment (*e.g.*, through a surcharge or credit) of any such tax law changes, Con Edison will defer on its books of account the full change in expense and reflect such deferral as credits or debits to customers in the next base rate proceeding. If the Commission decides to address the treatment outside of a base rate proceeding, but it has not made a final determination in another proceeding, or in this proceeding in response to any Company-specific compliance filing made in connection therewith, then any deferral

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[29] Costs in this context include current and deferred tax impacts.

[30] Such amounts are estimated to be $1.41 million in RY1, $1.48 million in RY2 and $1.54 million in RY3. During the Rate Plan, basis points will be calculated on actual average rate base at the end of each Rate Year.

in the next base rate proceeding will be subject to the Commission's final determination in this or the other proceeding.[31]

b. If at any time any other law, rule, regulation, order, or other requirement or interpretation (or any repeal or amendment of an existing rule, regulation, order or other requirement) of the federal, State, or local government or courts, including a requirement that Con Edison refund its tax exempt debt, results in a change in Con Edison's annual steam revenues, costs or expenses not anticipated in the forecasts and assumptions on which the rates in this Proposal are based in an annual amount equating to ten (10) basis points of return on common equity or more,[32] Con Edison will defer on its books of account the full change in expense or revenues. Any deferrals associated with a change in expense shall be reflected in the Company's next base rate proceeding or in a manner to be determined by the Commission. Any deferrals associated with a change in revenue shall be recovered or refunded over an 18-month period. Surcharge/sur-credit of such revenues may begin 90 days after a filing with the Secretary, subject to adjustment by the Commission.

c. The Company will retain the right to petition the Commission for authorization to defer on its books of account extraordinary expenditures not otherwise addressed by this Proposal.

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[31] All Signatory Parties reserve all of their administrative and judicial rights in connection with such generic proceeding(s).

[32] For purposes of this Proposal, the ten (10) basis points return on common equity will be applied on a case-by-case basis and not to the aggregate impact of changes of two or more laws, rules, etc.; provided, however, that this threshold will be applied on a Rate Year basis to the incremental aggregate impact of all contemporaneous changes (*e.g.*, changes made as a package even if they occur or are implemented over a period of months) affecting a particular subject area and not to the individual provisions of the new law, rule, etc.

### 3. **Financial Protections**

Annually, the Company will provide Staff with the five-year earnings forecast for CEI and each direct subsidiary of CEI (*e.g.*, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., and Con Edison Transmission, Inc.). The forecast will include the income statement, balance sheet and cash flow statements for CEI and each above-listed entity. The Company will submit the forecast to Staff no later than thirty (30) calendar days after it is reviewed by the Finance Committee of CEI's Board of Directors. The Company will update Staff when there are material changes to the five-year forecast.

After the completion of the Company's annual audit by its external auditors, the Company will provide Staff with actual financial statements (*i.e.,* income statement, balance sheet, cash flow statement and consolidating adjustments) for CEI and each direct subsidiary of CEI for the previous year. The Company will submit these statements to Staff no later than thirty (30) calendar days after the completion of the annual audit by its external auditors.

The five-year earnings forecast and actual financial statements will be provided to Staff by filing with the Records Access Officer pursuant to the Commission's trade secret process.

### 4. **Trade Secret Protection**

Nothing in this document prevents Con Edison from seeking trade secret protection under 16 NYCRR Part 6 for all or any part(s) of any document or report filed (or submitted to Staff) in accordance with the Rate Plan or prohibits or restricts any other party from challenging any such request.

**5. Provisions Not Separable**

The Signatory Parties intend this Proposal to be a complete resolution of all the issues in Case 25-S-0741. It is understood that each provision of this Proposal is in consideration and support of all the other provisions, and expressly conditioned upon acceptance by the Commission. Except as set forth herein, none of the Signatory Parties are deemed to have approved, agreed to or consented to any principle, methodology or interpretation of law underlying or supposed to underlie any provision herein. Consistent with the Commission's Settlement Guidelines,[33] if the Commission fails to adopt this Proposal according to its terms, then the Signatory Parties to the Proposal will be free to pursue their respective positions in this proceeding without prejudice.

**6. Provisions Not Precedent**

The terms and provisions of this Proposal apply solely to, and are binding only in, the context of the purposes and results of this Proposal. None of the terms or provisions of this Proposal and none of the positions taken herein by any party may be referred to, cited, or relied upon by any other party in any fashion as precedent or otherwise in any other proceeding before this Commission or any other regulatory agency or before any court of law for any purpose other than furtherance of the purposes, results, and disposition of matters governed by this Proposal.

Concessions made by Signatory Parties on various steam issues do not preclude those parties from addressing such issues in future rate proceedings or in other proceedings.

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[33] Opinion 92-2, Settlement Guidelines, Section F(2) (March 24, 1992).

**7. Submission of Proposal**

The Signatory Parties agree to submit this Proposal to the Commission and to individually support and request its adoption by the Commission as set forth herein, subject to any reservations expressed by any individual Signatory Party on its signature page. The Proposal will satisfy the requirements of Public Service Law §79(1) that Con Edison provide safe and adequate service at just and reasonable rates and is consistent with the requirements of the CLCPA applicable to utility rate cases.

**8. Effect of Commission Adoption of Terms of this Proposal**

No provision of this Proposal or the Commission's adoption of the terms of this Proposal shall in any way abrogate or limit the Commission's statutory authority under the Public Service Law. The Parties recognize that any Commission adoption of the terms of this Proposal does not waive the Commission's ongoing rights and responsibilities to enforce its orders and effectuate the goals expressed therein, nor the rights and responsibilities of Staff to conduct investigations or take other actions in furtherance of its duties and responsibilities.

**9. Further Assurances**

The Signatory Parties recognize that certain provisions of this Proposal require that actions be taken in the future to fully effectuate this Proposal. Accordingly, the Signatory Parties agree to cooperate with each other in good faith in taking such actions.

**10. Execution**

This Proposal is being executed in counterpart originals and shall be binding on each Signatory Party when the counterparts have been executed.

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

Joshua A. Konecni ________________

Joshua A. Konecni
Vice President
Consolidated Edison Company of New York

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

Steven J. Kramer, Managing Attorney
Department of Public Service Trial Staff

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

BROOKLYN NAVY YARD COGENERATION PARTNERS, L.P. (BNYCP)

Christopher Trabold, Executive Director

8/28/2026
Date

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

**CITY OF NEW YORK**

Dated: September 3, 2026

Kevin M. Lang, Esq.
Couch White, LLP
*Counsel for the City of New York*

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

CONSUMER POWER ADVOCATES

DocuSigned by:
Rakesh Parasuraman
D1AF0F6B44D4430...

08/28/26

Rakesh Parasuraman

Date

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

NEW YORK ENERGY CONSUMERS COUNCIL, INC. (NYECC)

DocuSigned by:
Phil Skalaski
9223F6A07F0C490...                                   8/27/2026

Phil Skalaski, NYECC Co-President                    Date

DocuSigned by:
Lauren Moss
8781713897D94D4...                                   8/27/2026

Lauren Moss, NYECC Co-President                      Date

**IN WITNESS WHEREOF**, the Signatory Parties hereto have affixed their signatures below as evidence of their agreement to be bound by the provisions of this Proposal.

**UTILISAVE LLC**
[Party Name]

By: ______________________________

Michael Steffman, CEO  Dated: 8/31/26

# Appendix 1 – Steam Revenue Requirement

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Revenue Requirement
For the Twelve Months Ending October 31, 2027
($ 000's)

| Operating Revenues | Rate Year 1 Forecast | Rate Change | Rate Year 1 With Rate Change |
|---|---|---|---|
| Sales Revenues | $749,804 | $13,342 | $763,147 |
| Other Operating Revenues | 96,679 | 41 | 96,720 |
| Total Operating Revenues | 846,484 | 13,383 | 859,867 |
| | | | |
| Operating Expenses | | | |
| Fuel | $165,411 | | 165,411 |
| Operations & Maintenance Expense | 185,472 | 20 | 185,493 |
| Depreciation | 127,960 | | 127,960 |
| Regulatory Amortization | 13,964 | | 13,964 |
| Taxes Other Than Income Taxes | 202,366 | 312 | 202,677 |
| Total Operating Expenses | 695,173 | 332 | 695,504 |
| | | | |
| Operating Income Before Income Taxes | 151,311 | 13,051 | 164,362 |
| | | | |
| New York State Income Taxes | 6,274 | 848 | 7,123 |
| Federal Income Taxes | 4,936 | 2,563 | 7,499 |
| | | | |
| Utility Operating Income | $ 140,101 | $ 9,640 | $ 149,741 |
| | | | |
| Rate Base | $ 2,117,572 | | $2,117,572 |
| | | | |
| Rate of Return | 6.62% | | 7.07% |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Revenue Requirement
For the Twelve Months Ending October 31, 2027 and October 31, 2028
($ 000's)

| | Rate Year 1 With Rate Change | Rate Year 2 Revenue/Expense Rate Base Changes | Rate Change | Rate Year 2 With Rate Change |
|---|---|---|---|---|
| Operating Revenues | | | | |
| Sales Revenues | $763,147 | $ (11,132) | $ 42,468 | $794,483 |
| Other Operating Revenues | 96,720 | (1,609) | 129 | 95,240 |
| Total Operating Revenues | 859,867 | (12,741) | 42,597 | 889,723 |
| | | | | |
| Operating Expenses | | | | |
| Fuel | 165,411 | (5,377) | | 160,034 |
| Operations & Maintenance Expense | 185,493 | 1,890 | 64 | 187,446 |
| Depreciation | 127,960 | 7,611 | | 135,571 |
| Regulatory Amortization | 13,964 | 260 | | 14,224 |
| Taxes Other Than Income Taxes | 202,677 | 12,731 | 992 | 216,399 |
| Total Operating Expenses | 695,504 | 17,114 | 1,056 | 713,674 |
| | | | | |
| Operating Income Before Income Taxes | 164,362 | (29,855) | 41,541 | 176,049 |
| | | | | |
| New York State Income Taxes | 7,123 | (2,214) | 2,700 | 7,609 |
| Federal Income Taxes | 7,499 | (6,787) | 8,157 | 8,869 |
| | | | | |
| Utility Operating Income | $ 149,741 | $ (20,854) | $ 30,685 | $ 159,571 |
| | | | | |
| Rate Base | $ 2,117,572 | $ 116,317 | | $ 2,233,889 |
| | | | | |
| Rate of Return | 7.07% | | | 7.14% |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Revenue Requirement
For the Twelve Months Ending October 31, 2028 and October 31, 2029
($ 000's)

| Operating Revenues | Rate Year 2 With Rate Change | Rate Year 3 Revenue/Expense Rate Base Changes | Rate Change | Rate Year 3 With Rate Change |
|---|---|---|---|---|
| Sales Revenues | $794,483 | $ (14,156) | $ 39,207 | $819,533 |
| Other Operating Revenues | 95,240 | (1,480) | 119 | 93,880 |
| Total Operating Revenues | 889,723 | (15,636) | 39,326 | 913,413 |
| Operating Expenses | | | | |
| Fuel | 160,034 | (3,882) | | 156,152 |
| Operations & Maintenance Expense | 187,446 | 6,448 | 59 | 193,954 |
| Depreciation | 135,571 | 3,252 | | 138,823 |
| Regulatory Amortization | 14,224 | 340 | | 14,563 |
| Taxes Other Than Income Taxes | 216,399 | 8,799 | 916 | 226,114 |
| Total Operating Expenses | 713,674 | 14,956 | 975 | 729,606 |
| Operating Income Before Income Taxes | 176,049 | (30,592) | 38,351 | 183,808 |
| New York State Income Taxes | 7,609 | (2,199) | 2,493 | 7,903 |
| Federal Income Taxes | 8,869 | (6,746) | 7,530 | 9,653 |
| Utility Operating Income | $ 159,571 | $ (21,647) | $ 28,328 | $ 166,252 |
| Rate Base | $ 2,233,889 | $ 76,898 | | $ 2,310,787 |
| Rate of Return | 7.14% | | | 7.19% |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Other Operating Revenues
For The Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($ 000's)

| | Rate Year 1 | Rate Year 2 Changes | Rate Year 2 | Rate Year 3 Changes | Rate Year 3 |
|---|---|---|---|---|---|
| **Other Operating Revenues** | | | | | |
| Interdepartmental Rents: | | | | | |
| East River Repowering Project (ERRP) | $ 65,348 | $ (1,646) | $ 63,702 | $ (1,645) | $ 62,057 |
| Hudson Avenue Tunnel | 4,232 | 40 | $ 4,272 | 174 | 4,446 |
| 74th/59th Streets | 9,581 | - | $ 9,581 | - | 9,581 |
| Late Payment Charges | 2,323 | 95 | $ 2,418 | 76 | 2,494 |
| Net Unbilled Revenue - Steam | 13,733 | - | $ 13,733 | - | 13,733 |
| Off System Sales | 195 | - | $ 195 | - | 195 |
| Special Services Repair Program | 995 | - | $ 995 | - | 995 |
| Real Estate Rents | 313 | 31 | $ 345 | 34 | 379 |
| **Total Other Operating Revenue** | $ 96,720 | $ (1,480) | $ 95,240 | $ (1,361) | $ 93,880 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Operations & Maintenance Expenses
For The Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($ 000's)

| | Rate Year 1 | Rate Year 2 Changes | Rate Year 2 | Rate Year 3 Changes | Rate Year 3 |
|---|---|---|---|---|---|
| Fuel and Purchased Power | $ 165,411 | $ (5,377) | $ 160,034 | $ (3,882) | $ 156,152 |
| A & G Health Insurance and Capital Overhead | (4,938) | (110) | (5,048) | (107) | $ (5,155) |
| Bargaining Unit Contract Cost | 7 | 0 | 8 | 0 | 8 |
| Bond Administration & Bank Fees | 745 | 17 | 762 | 16 | 778 |
| Company Labor - Construction Management | 1,200 | 23 | 1,222 | 23 | 1,245 |
| Company Labor - Corporate & Shared Services | 23,122 | 644 | 23,767 | 446 | 24,212 |
| Company Labor - Customer Energy Solutions | 359 | 9 | 367 | 9 | 376 |
| Company Labor - Customer Operations | 63 | 1 | 64 | 1 | 65 |
| Company Labor - Gas Operations | 653 | 12 | 665 | 12 | 678 |
| Company Labor - Production | 35,056 | 1,067 | 36,123 | 813 | 36,936 |
| Company Labor - Steam Distribution | 17,290 | 421 | 17,711 | 332 | 18,043 |
| Company Labor - System & Transmission Operations (STO) | 1,105 | 21 | 1,126 | 21 | 1,147 |
| Corporate & Shared Services | 2,321 | 52 | 2,372 | 50 | 2,422 |
| Corporate Fiscal Expense | 405 | 9 | 414 | 9 | 423 |
| Customer Energy Solutions | 8 | 0 | 9 | 0 | 9 |
| Employee Welfare Expense | 9,913 | 221 | 10,134 | 214 | 10,349 |
| Environmental Affairs | 395 | 9 | 404 | 9 | 412 |
| External Audit Services | 263 | 6 | 268 | 6 | 274 |
| Facilities & Field Services | 4,701 | 105 | 4,806 | 102 | 4,908 |
| Finance & Accounting Operations | 742 | 17 | 758 | 16 | 774 |
| Information Technology | 11,476 | 256 | 11,732 | 248 | 11,980 |
| Informational Advertising | 376 | 30 | 406 | 29 | 435 |
| Injuries & Damages / Workers Compensation | 3,278 | 73 | 3,351 | 71 | 3,421 |
| Insurance Premium | 6,659 | 148 | 6,807 | 144 | 6,951 |
| Intercompany Shared Services | (1,331) | (30) | (1,361) | (29) | (1,390) |
| Ops - Customer Operations | 522 | 12 | 533 | 11 | 545 |
| Ops - Gas Operations | 1,002 | 22 | 1,024 | 22 | 1,046 |
| Ops - Interference | 16,302 | 363 | 16,666 | 353 | 17,018 |
| Ops - Production | 23,834 | 811 | 24,645 | 721 | 25,365 |
| Ops - Steam Distribution | 17,039 | 583 | 17,622 | 473 | 18,095 |
| Ops - System & Transmission Operations (STO) | 327 | 7 | 335 | 7 | 342 |
| Other Compensation (Long-Term Equity) | 1,102 | (71) | 1,032 | 2 | 1,033 |
| Outside Legal Services | 20 | 0 | 21 | 0 | 21 |
| Pension and OPEB Costs | (13,893) | (3,475) | (17,368) | 1,961 | (15,407) |
| Regulatory Commission Expense - All Other | 391 | 9 | 400 | 8 | 409 |
| Regulatory Commission Expense - General and R&D | 2,055 | 46 | 2,101 | 44 | 2,146 |
| Rents - General | 910 | 24 | 934 | 23 | 957 |
| Rents - Interdepartmental | 25,030 | 439 | 25,469 | 368 | 25,838 |
| Research & Development | 562 | 13 | 575 | 12 | 587 |
| Security | 121 | 3 | 123 | 3 | 126 |
| Uncollectible Reserve - Customer | 763 | 31 | 794 | 25 | 820 |
| Uncollectible Reserve - Sundry | 114 | 3 | 117 | 2 | 119 |
| Worker's Comp NYS Assessment | 61 | 1 | 63 | 1 | 64 |
| All Other | 41 | 1 | 42 | 1 | 43 |
| Company Labor - Fringe Benefit Adjustment | 365 | 133 | 498 | 35 | 533 |
| A&G Common Allocation change | (5,000) | - | (5,000) | - | (5,000) |
| Non-Conforming Welds | (45) | (1) | (46) | (1) | (47) |
| Total Operation & Maintenance Expenses | $ 350,903 | $ (3,423) | $ 347,480 | $ 2,626 | $ 350,106 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Taxes Other Than Income Taxes
For The Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($000's)

| | Rate Year 1 | Rate Year 2 Changes | Rate Year 2 | Rate Year 3 Changes | Rate Year 3 |
|---|---|---|---|---|---|
| **Property Taxes** | $178,800 | $12,800 | $191,600 | $9,000 | $200,600 |
| **Payroll Taxes** | 6,159 | 192 | 6,350 | 145 | 6,495 |
| **Revenue Taxes** | 17,421 | 731 | 18,152 | 570 | 18,722 |
| **Other Taxes** | | | | | |
| Sales and Use Tax | 297 | - | 297 | - | 297 |
| Other Taxes | - | - | - | - | - |
| **Total Other Taxes** | 297 | - | 297 | - | 297 |
| **Total Taxes Other than Income Taxes** | $202,677 | $13,723 | $216,399 | $9,714 | $226,114 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam New York State Income Taxes
For The Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($ 000's)

| | Rate Year 1 | Rate Year 2 Changes | Rate Year 2 | Rate Year 3 Changes | Rate Year 3 |
|---|---|---|---|---|---|
| Operating Income Before Income Taxes | $ 164,362 | $ 11,687 | $ 176,049 | $ 7,759 | $ 183,808 |
| Interest Expense | (53,665) | (4,203) | (57,868) | (3,245) | (61,113) |
| Book Income Before State Income Taxes | 110,698 | 7,484 | 118,181 | 4,514 | 122,695 |
| | | | | | |
| **Tax Computation** | | | | | |
| Current State Income Taxes | 2,799 | 668 | 3,467 | 509 | 3,976 |
| Deferred NYS Income Tax | 4,444 | (182) | 4,262 | (215) | 4,047 |
| NYS Investment Tax Credit | (120) | - | (120) | - | (120) |
| | | | | | |
| **NYS Income Tax Expense** | $ 7,123 | $ 487 | $ 7,609 | $ 293 | $ 7,903 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Federal Income Taxes
For The Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($ 000's)

| | Rate Year 1 | Rate Year 2 Changes | Rate Year 2 | Rate Year 3 Changes | Rate Year 3 |
|---|---|---|---|---|---|
| Operating Income Before Income Taxes | $ 164,362 | $ 11,687 | $ 176,049 | $ 7,759 | $ 183,808 |
| Interest Expense | (53,665) | (4,203) | (57,868) | (3,245) | (61,113) |
| Book Income Before Income Taxes | 110,698 | 7,484 | 118,181 | 4,514 | 122,695 |
| **Tax Computation** | | | | | |
| Current Federal Income Tax | 13,514 | 1,812 | 15,326 | 1,311 | 16,638 |
| Deferred Federal Income Tax | (474) | (282) | (756) | (378) | (1,134) |
| Excess Deferred Federal Income Tax - Protected | (4,715) | (172) | (4,888) | (161) | (5,049) |
| Amortization of Deferred ITC | (82) | 12 | (70) | 13 | (57) |
| R&D Tax Credit | (744) | - | (744) | - | (744) |
| **Federal Income Tax Expense** | $ 7,499 | $ 1,370 | $ 8,869 | $ 785 | $ 9,653 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Rate Base - Steam
Average Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($000's)

| | RY1 | RY2 Changes | RY2 | RY3 Changes | RY3 |
|---|---|---|---|---|---|
| Utility Plant | | | | | |
| Steam Plant In Service | $ 3,340,120 | $ 138,485 | $ 3,478,604 | $ 107,297 | $ 3,585,901 |
| Total | 3,340,120 | 138,485 | 3,478,604 | 107,297 | 3,585,901 |
| Utility Plant Reserves: | | | | | |
| Accumulated Reserve for Depreciation - Plant in Service | (1,152,979) | (50,608) | (1,203,588) | (55,898) | (1,259,485) |
| Total | (1,152,979) | (50,608) | (1,203,588) | (55,898) | (1,259,485) |
| Net Plant | 2,187,140 | 87,876 | 2,275,017 | 51,399 | 2,326,416 |
| Non-Interest Bearing CWIP | 10,238 | 6,852 | 17,090 | 4,568 | 21,657 |
| Working Capital - Materials/Supplies, Prepayment and Cash Working Capital | 128,454 | 4,459 | 132,912 | 3,887 | 136,800 |
| Unamortized Premium & Discount | 13,585 | 1,102 | 14,688 | 954 | 15,641 |
| Unamortized Preferred Stock Expense | 1,138 | (76) | 1,061 | (76) | 985 |
| Customer Advance Construction | (3,496) | - | (3,496) | - | (3,496) |
| Net Deferrals / Credits from Reconciliation Mechanisms | 69,169 | 4,238 | 73,408 | 4,267 | 77,675 |
| **Accumulated Deferred Income Taxes** | | | | | |
| Accumulated Deferred Federal Income Taxes | (311,255) | 2,548 | (308,707) | 4,374 | (304,333) |
| Accumulated Deferred State Income Taxes | (106,189) | (4,383) | (110,573) | (4,191) | (114,764) |
| Total | (417,445) | (1,835) | (419,280) | 183 | (419,096) |
| Average Rate Base | 1,988,784 | 102,616 | 2,091,400 | 65,182 | 2,156,582 |
| Earnings Base Capitalization Adjustment to Rate Base | 150,889 | 13,584 | 164,473 | 11,599 | 176,072 |
| Pension/OPEB Reduction | (20,107) | - | (20,107) | - | (20,107) |
| Former Employees/Contractor Proceeding Rate Base Reduction | (1,994) | 117 | (1,877) | 117 | (1,760) |
| Total Average Rate Base | 2,117,572 | 116,317 | 2,233,889 | 76,898 | 2,310,787 |

**Consolidated Edison Company of New York, Inc.**
Case 25-S-0741
Calculation of Shaped Rate Increase
Average Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($ 000's)

| | Twelve Months Ending | | | Cumulative |
|---|---|---|---|---|
| Rate Increase | Oct. 31, 2027 | Oct. 31, 2028 | Oct. 31, 2029 | Total |
| RY - 1 | $ 13,342 | $ 13,342 | $ 13,342 | $ 40,027 |
| RY - 2 | | 42,468 | 42,468 | 84,936 |
| RY - 3 | | | 39,207 | 39,207 |
| Total | $ 13,342 | $ 55,811 | $ 95,017 | $ 164,170 |
| | | | | |
| Shaped rate increase w/o interest | | | | |
| RY - 1 | $ 26,722 | $ 26,722 | $ 26,722 | $ 80,167 |
| RY - 2 | - | 27,673 | 27,673 | 55,346 |
| RY - 3 | - | - | 28,658 | 28,658 |
| Total | $ 26,722 | $ 54,395 | $ 83,053 | $ 164,170 |
| | | | | |
| Variation | $ (13,380) | $ 1,415 | $ 11,964 | $ 0 |
| | | | | |
| Interest @ 4.70% | $ (232) | $ (440) | $ (208) | $ (880) |
| | | | | |
| Shaped rate increase with interest | | | | |
| RY - 1 | $ 26,582 | $ 26,582 | $ 26,582 | $79,747 |
| RY - 2 | - | 27,523 | 27,523 | 55,046 |
| RY - 3 | - | - | 28,497 | 28,497 |
| Total | $ 26,582 | $ 54,105 | $ 82,603 | $ 163,290 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Average Capital Structure & Cost of Money
For The Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029

RY 1

| | Capital Structure % | Cost Rate % | Cost of Capital % | Pre Tax Cost % |
|---|---|---|---|---|
| Long term debt | 51.17% | 4.86% | 2.49% | 2.49% |
| Customer deposits | 0.83% | 2.95% | 0.02% | 0.02% |
| Subtotal | 52.00% | | 2.51% | 2.51% |
| Common Equity | 48.00% | 9.50% | 4.56% | 6.17% |
| Total | 100.00% | | 7.07% | 8.68% |

RY 2

| | Capital Structure % | Cost Rate % | Cost of Capital % | Pre Tax Cost % |
|---|---|---|---|---|
| Long term debt | 51.18% | 5.00% | 2.56% | 2.56% |
| Customer deposits | 0.82% | 2.95% | 0.02% | 0.02% |
| Subtotal | 52.00% | | 2.58% | 2.58% |
| Common Equity | 48.00% | 9.50% | 4.56% | 6.17% |
| Total | 100.00% | | 7.14% | 8.76% |

RY 3

| | Capital Structure % | Cost Rate % | Cost of Capital % | Pre Tax Cost % |
|---|---|---|---|---|
| Long term debt | 51.19% | 5.10% | 2.61% | 2.61% |
| Customer deposits | 0.81% | 2.95% | 0.02% | 0.02% |
| Subtotal | 52.00% | | 2.63% | 2.63% |
| Common Equity | 48.00% | 9.50% | 4.56% | 6.17% |
| Total | 100.00% | | 7.19% | 8.81% |

## Appendix 2 – Amortization of Regulatory Deferrals

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Amortization of Regulatory Deferrals (Debits/Credits)
($ 000's)

| Steam | Amortization Period | Twelve Months Ending October 31, 2027 | 2028 | 2029 |
|---|---|---|---|---|
| Regulatory Assets (Debits) | | | | |
| Property Tax Deferrals | 10 | $ 6,439 | $ 6,439 | $ 6,439 |
| Pensions/OPEBs | 3 | 5,185 | 5,185 | 5,185 |
| Interest on Deferrals | 3 | 2,317 | 2,317 | 2,317 |
| Interference | 3 | 1,407 | 1,407 | 1,407 |
| East River Interdepartmental Rent Deferral | 3 | 798 | 798 | 798 |
| Interest Rate True-Up (Auction Rate / LT Debt) | 3 | 343 | 343 | 343 |
| Hudson Ave Plant Transfer Deferral | 3 | 235 | 235 | 235 |
| Common Expense Allocation Change Deferral | 3 | 114 | 114 | 114 |
| Rate Case Costs | 3 | 59 | 59 | 59 |
| Deferred Workers Compensation Recoveries | 3 | 26 | 26 | 26 |
| Former Employees/Contractor Proceeding | 3 | 22 | 22 | 22 |
| Site Investigation and Remediation (SIR) Program Costs | 5 | | 184 | 524 |
| Preferred Stock Redemption | 15 | 76 | 76 | 76 |
| Total Regulatory Assets (a) | | $ 17,021 | $ 17,205 | $ 17,545 |
| Regulatory Liabilities (Credits) | | | | |
| Carrying Charges (Net Plant Reconciliation) | 3 | $ 1,851 | $ 1,851 | $ 1,851 |
| Sales and Use Tax Refund | 3 | 484 | 484 | 484 |
| Carrying Cost - SIR Deferred Balances | 3 | 338 | 338 | 338 |
| R and D Reconciliation | 3 | 97 | 97 | 97 |
| Customer Cash Flow Benefits - Bonus Depreciation | 3 | 92 | 92 | 92 |
| Lost Revenue Deferral | 3 | 89 | 89 | 89 |
| Site Investigation and Remediation (SIR) Program Costs | 5 | 76 | | |
| World Trade Center | 3 | 30 | 30 | 30 |
| Total Regulatory Liabilities (b) | | $ 3,057 | $ 2,981 | $ 2,981 |
| Net Debit / (Net Credit) (a - b) | | $ 13,964 | $ 14,224 | $ 14,563 |

## Appendix 3 – Sales Revenues

**Consolidated Edison Company of New York, Inc.**
Steam Case 25-S-0741
Sales Revenues (Shaped) and Volumes
$ 000's

| Base Revenues (excl GRT) | Twelve Months Ending October 31, 2027 | RY2 Sales Gain/(Loss) | Twelve Months Ending October 31, 2028 | RY 3 Sales Gain/(Loss) | Twelve Months Ending October 31, 2029 |
|---|---|---|---|---|---|
| Service Classification 1 Rate II | 38,890 | 2,140 | 41,030 | 1,693 | 42,723 |
| Service Classification 1 Rate II | - | - | - | - | - |
| Service Classification 2 Rate I | 124,726 | 5,131 | 129,858 | 3,424 | 133,281 |
| Service Classification 2 Rate II | 319,645 | 7,224 | 326,869 | 8,439 | 335,308 |
| Service Classification 3 Rate I | 101,435 | 4,785 | 106,220 | 3,739 | 109,958 |
| Service Classification 3 Rate II | 95,701 | 1,477 | 97,178 | 781 | 97,959 |
| Service Classification 4 Rate I | 334 | 16 | 351 | 11 | 361 |
| Service Classification 4 Rate II | 1,267 | 63 | 1,330 | 44 | 1,374 |
| Service Classification 4 Rate III | 7,028 | 182 | 7,210 | 179 | 7,389 |
| Service Classification 4 Rate IV | 3,367 | 62 | 3,430 | 49 | 3,478 |
| Service Classification 5 (Service Classification 2 - Rate II) | 2,738 | (565) | 2,172 | (2,172) | - |
| | **695,132** | **20,515** | **715,647** | **16,185** | **731,832** |

| Volumes (Mlb) | Twelve Months Ending October 31, 2027 | RY2 Sales Gain/(Loss) | Twelve Months Ending October 31, 2028 | RY 3 Sales Gain/(Loss) | Twelve Months Ending October 31, 2029 |
|---|---|---|---|---|---|
| Service Classification 1 Rate II | 458,011 | (3,807) | 454,204 | (11,648) | 442,556 |
| Service Classification 1 Rate II | - | - | - | - | - |
| Service Classification 2 Rate I | 2,065,398 | (19,571) | 2,045,827 | (49,818) | 1,996,009 |
| Service Classification 2 Rate II | 7,964,983 | (34,074) | 7,930,909 | (75,453) | 7,855,456 |
| Service Classification 3 Rate I | 2,284,756 | (15,230) | 2,269,525 | (44,617) | 2,224,908 |
| Service Classification 3 Rate II | 2,797,610 | (11,234) | 2,786,376 | (45,036) | 2,741,340 |
| Service Classification 4 Rate I | 1,878 | 55 | 1,933 | (51) | 1,882 |
| Service Classification 4 Rate II | 33,659 | 142 | 33,802 | (556) | 33,246 |
| Service Classification 4 Rate III | 117,730 | 305 | 118,035 | (987) | 117,048 |
| Service Classification 4 Rate IV | 96,948 | 107 | 97,054 | (417) | 96,638 |
| Service Classification 5 (Service Classification 2 - Rate II) | 91,773 | (38,707) | 53,066 | (53,066) | - |
| | **15,912,744** | **(122,013)** | **15,790,731** | **(281,648)** | **15,509,083** |

# Appendix 4 – Weather Normalization Adjustment

Consolidated Edison Company of New York, Inc.
Case 25-S-0741
Weather Normalization Adjustment

**Mechanism**

A Weather Normalization Adjustment (WNA) shall be in effect for customers billed under SCs 1, 2, 3, and 5 who use steam for space heating. The WNA will be applied to total steam usage during each November 1 through April 30 period as a per Mlb surcharge or surcredit. The WNA will be calculated using the following formula:

$$WNA = \frac{(NHDD - AHDD) \cdot HDDF \cdot (EBR - BCF)}{(BLF \cdot BP) + (HDDF \cdot AHDD)}$$

Where:

- EBR or "effective block rate" is the block rate used to determine the surcharge or surcredit. The EBR is determined by reviewing the percentage bill cycle distribution for each customer class for the most recent five and ten winters. The EBR chosen for each customer class is the rate associated with the usage block with the highest percentage number of bills, for which there was no difference between the past five and past ten winters. EBRs are established by customer class as follows:

    - SC 1 – penultimate block rate
    - SC 2 Rate I – second block rate
    - SC 2 Rate II – third block rate
    - SC 3 Rate 1 – penultimate block rate
    - SC 3 Rate II – penultimate block rate

- For customers billed under SC 5, the EBR is determined based on the customer's otherwise applicable rate.

- BCF is the "base cost of fuel" as described in General Information Section 8.
- BP or "billing period" is the actual number of days on the customer's bill for service.
- HDD or "heating degree days" is the difference between a reference temperature of 56 degrees and the average daily dry bulb temperature for a day based on readings made every hour on the hour throughout the day. HDD is always zero when that average temperature is 56 degrees or above. A single heating degree day is each degree of temperature difference.
- NHDD or "normal heating degree days" shall be 2,671 heating degree days.
- AHDD or "actual heating degree days" is the actual difference between a reference temperature of 56 degrees and the average daily dry bulb temperature for a particular day based on readings made every hour on the hour throughout the day. AHDD is always zero when that average temperature is 56 degrees or above.
- HDDF or "heating degree day factor" is the estimated number of Mlb per HDD needed to provide space heating to the average customer. It is determined separately for SC 1, SC 2 Rate I, SC 2 Rate II, SC 3 Rate I, and SC 3 Rate II and includes the Mlb of SC 5 customers who would otherwise be billed under those rates. The HDDF will be revised annually to reflect the degree day sensitivity reflected in the prior heating season's sales to customers to which this adjustment applies.

- BLF or "base load factor" is the estimated number of daily Mlb of non-degree day related use by the average customer. It is determined separately for SC 1, SC 2 Rate I, SC 2 Rate II, SC 3 Rate I, and SC 3 Rate II and includes the Mlb of SC 5 customers who would otherwise be billed under those rates. The BLF will be revised annually to reflect the non-degree day related customer usage reflected in the prior heating season's sales.

The HDDF and BLF for each customer class will be determined via a regression using the prior winter's monthly sales data. The regression equation is as follows:

$$\frac{Usage/Customer}{Billing\ Days} = BLF + HDDF \cdot (\text{HDDs/BD})$$

# Appendix 5 – Steam Reconciliation Targets

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam True Up Targets
($ 000's)

| | Twelve Months Ending October 31, | | | | |
|---|---|---|---|---|---|
| Revenue True-ups | 2027 | RY2 Change | 2028 | RY3 Change | 2029 |
| Environmental Allowances ($SO_2$)* | - | - | - | - | - |
| **Expense True-ups** | | | | | |
| Municipal Infrastructure Support | | | | | |
| Interference - excl. Company labor (80/20 True up) | 16,302 | 364 | 16,666 | 352 | 17,018 |
| Local Law 11 Compliance Costs ** | 1,736 | 39 | 1,775 | 38 | 1,813 |
| Asbestos Removal Program (downward only)*** | 134 | 54 | 188 | 81 | 269 |
| Property Tax Expense | 178,800 | 12,800 | 191,600 | 9,000 | 200,600 |
| Employee Pensions | (14,366) | (2,863) | (17,229) | 1,999 | (15,230) |
| Other Post Employment Benefits | 473 | (612) | (139) | (38) | (177) |
| Pension / OPEB Expense | (13,893) | (3,475) | (17,368) | 1,961 | (15,407) |
| Management Variable Pay (Net of Capitalized) (downward only) | 4,182 | 78 | 4,260 | 80 | 4,340 |
| Research and Development (downward only) | 562 | 13 | 575 | 12 | 587 |
| **Rate Base True-ups** | | | | | |
| CAMT | 3,857 | - | 3,857 | - | 3,857 |
| Site Investigation and Remediation | (631) | 819 | 188 | 846 | 1,034 |
| **Interest True-ups (page 2)** | | | | | |
| Average Variable Rate | 4.40% | 0.17% | 4.57% | 0.01% | 4.58% |
| Variable Rate Debt Cost | 1,077 | (631) | 446 | (17) | 429 |

Note
* The Company will defer for the benefit of customers all $SO_2$ allowances during the term of the Rate Plan.

** The Company may defer up to $7.2 million in incremental Local Law 11 compliance costs incurred over the term of the Rate Plan.

***The revenue requirements include O&M funding for the Asbestos Removal Program (as set forth in Appendix 5). The Company will defer for the benefit of customers any cumulative shortfall over the term of the Rate Plan between actual expenses for the program and the levels provided in rates.

For accounting and financial reporting purposes, the levelization of the rate change will be booked to taxes other than income taxes.

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

Case 25-S-0741

Average Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029

Variable Rate Debt

| | | | RY1 | | RY2 | | RY3 | |
|---|---|---|---|---|---|---|---|---|
| Bond | Maturity Date | Amount Outstanding | Effective Cost of Money | Effective Annual Cost | Effective Cost of Money | Effective Annual Cost | Effective Cost of Money | Effective Annual Cost |
| 2004 Series C | 11/01/39 | $ 99,000,000 | 4.49% | $ 4,442,469 | 4.59% | $ 4,541,469 | 4.59% | $ 4,541,469 |
| 2005 Series A | 05/01/39 | 126,300,000 | 4.47% | 5,649,317 | 4.57% | 5,775,617 | 4.57% | 5,775,617 |
| 2024 Series C | 11/18/27 | 350,000,000 | 4.35% | 15,222,028 | 4.35% | 634,251 | | - |
| | | $ 575,300,000 | 4.40% | $ 25,313,814 | 4.57% | $ 10,951,338 | 4.58% | $ 10,317,086 |

| | RY1 | RY2 | RY3 |
|---|---|---|---|
| **Total costs** | **$ 25,313,814** | **$ 10,951,338** | **$ 10,317,086** |
| Allocation to Electric* | 69.36% | 70.55% | 70.48% |
| Electric Target | **$ 17,557,736** | **$ 7,726,042** | **$ 7,271,891** |
| Allocation to Gas* | 26.39% | 25.38% | 25.35% |
| Gas Target | **$ 6,679,207** | **$ 2,779,065** | **$ 2,615,706** |
| Allocation to Steam* | 4.25% | 4.07% | 4.16% |
| Steam Target | **$ 1,076,871** | **$ 446,231** | **$ 429,489** |

* Actual series designation to be determined at a later date

| (For Illustration Purpose) | RY1 | RY2 | RY3 |
|---|---|---|---|
| Net Utility Plant (Electric) | $ 35,660,013 | $ 39,389,657 | $ 39,389,657 |
| Net Utility Plant (Gas) | 13,565,565 | 14,168,498 | 14,168,498 |
| Net Utility Plant (Steam) | 2,187,140 | 2,275,017 | 2,326,416 |
| | $ 51,412,719 | $ 55,833,172 | $ 55,884,571 |
| Elec Allocation | 69.36% | 70.55% | 70.48% |
| Gas Allocation | 26.39% | 25.38% | 25.35% |
| Steam Allocation | 4.25% | 4.07% | 4.16% |
| | 100.00% | 100.00% | 100.00% |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam Average Net Plant Target
Average Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029
($ 000's)

Target

| | Book Cost of Plant | Accumulated Depreciation | Depreciation Removal Cost | Average Net Plant Excluding Removal Cost |
|---|---|---|---|---|
| RY1 | $ 3,340,120 | $ (1,152,979) | $ (40,381) | $ 2,146,759 |
| RY2 | 3,478,604 | (1,203,588) | (110,372) | 2,164,645 |
| RY3 | 3,585,901 | (1,259,485) | (181,412) | 2,145,004 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Steam - Planned Capital Expenditure
($ 000's)

| | Rate Year 1 | Rate Year 2 | Rate Year 3 |
|---|---|---|---|
| Steam | 143,209 | 126,639 | 126,202 |

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
Case 25-S-0741
Carrying Charge Rates
Average Twelve Months Ending October 31, 2027, October 31, 2028, and October 31, 2029

RY1

| | Steam Plant |
|---|---|
| Pre Tax Overall Rate of Return | 8.685% |
| Composite Book Depreciation Rate | 3.582% |
| Total Carrying Charge Rate | 12.267% |

RY 2

| | Steam Plant |
|---|---|
| Pre Tax Overall Rate of Return | 8.757% |
| Composite Book Depreciation Rate | 3.658% |
| Total Carrying Charge Rate | 12.415% |

RY 3

| | Steam Plant |
|---|---|
| Pre Tax Overall Rate of Return | 8.808% |
| Composite Book Depreciation Rate | 3.639% |
| Total Carrying Charge Rate | 12.447% |

# Appendix 6 – Earnings Sharing Partial Year

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

Case 25-S-0741

Earnings Sharing Partial Year

During Stub Period Starting November 1, 2029

(thousands of dollars)

Assumption: Con Ed Files for New Steam Rates Effective January 2030

Resulting in a Two-Month Stub Period

| Month / Year | Steam Operating Income | |
|---|---|---|
| November 2029 | $ 8,900 | |
| December 2029 | 20,300 | |
| Total | | $ 29,200 |

| | Steam Rate Base | |
|---|---|---|
| Rate Base as of October 31, 2029 | $ 2,311,000 | |
| Rate Base as of December 31, 2029 | 2,320,000 | |
| Total | 4,631,000 | |
| Divided by Two | 2 | |
| Average Rate Base During Stub Period | $ 2,315,500 | |
| x Ratio of operating income for the two months ended December 2028 to operating income for the 12 months ended October 2029 | 23.34% | |
| Rate Base Subject to Earnings Test | | $ 540,400 |
| Overall Rate of Return<br>( $ 29,200 / $ 540,400 ) | | 5.40% |
| Return on Equity (Page 2) | 5.76% | |
| Earnings Sharing Threshold | 10.00% | |
| Earnings Above / (Under) Threshold | -4.24% | |
| Equity Earnings Base<br>( $ 540,400 x 48.00% ) | $ 259,400 | |
| Equity Earnings Above / (Under) Target<br>( $ 259,400 x -4.24% ) | $ (11,000) | |

Note: All amounts are hypothetical.

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

Case 25-S-0741

Capital Structure & Cost of Money

During Stub Period Starting November 1, 2029

| | Capital Structure % | Cost Rate % | Cost of Capital % |
|---|---|---|---|
| Long Term Debt | 51.19% | 5.10% | 2.61% |
| Customer Deposits | 0.81% | 2.95% | 0.02% |
| Total Debt | 52.00% | | 2.63% |
| Common Equity | 48.00% | 5.76% | 2.77% |
| Total | 100.00% | | 5.40% |

Note : Amounts are hypothetical.

# Appendix 7 – Capital and O&M Reporting Requirements

**Consolidated Edison Company of New York, Inc.**
**Case 25-S-0741**

**Capital and O&M Reporting Requirements**

**A. Capital and O&M Reporting:**

On or before March 31, June 30, September 30, and December 31 of each year during the term of the Steam Rate Plan, as well as December 31, 2029, the Company will file capital reports with the Secretary as follows. For all reports, Con Edison will file Excel workpapers detailing the variances on a program-level (or for included projects) between budgeted and actual spends.

i. For the report due on **December 31**, which will be the Company's annual report for the prior rate year:

a. The capital expenditures will be broken down into the following categories: (1) steam distribution; (2) steam production; (3) steam IT; and (4) interference.

b. For each project or program, the Company will provide the actual spend, budgeted spend, and variance.

c. For each project or program where the Company's expenditures have varied by more than fifteen (15) percent from the estimates contained in Attachment 1, the Company will provide a detailed explanation and justification for such variation. For each project or program that incurred expenditures, but which is not listed in Attachment 1, the Company will provide a white paper and an explanation and justification for any variance of more than fifteen (15) percent between the initial budget estimate and the amount spent. The requirement to provide an explanation will apply to any project or program that is abandoned or terminated regardless of the amount of the variance.

d. For each project, the Company will provide the project's status, date of commencement, estimated or actual date of completion, costs expended to date, and projected total project cost.

e. The Company will provide a total five-year annual capital forecast on a calendar year basis by category, such as risk reduction, replacement, new business, environmental, or any new category created during the term of the Rate Plan.

f. For capital projects and programs over $1 million and all decarbonization-related capital projects/programs regardless of funding level, the Company will provide: (1) a five-year capital forecast on a calendar year basis; (2) the status of internal approvals for each such project and program; and (3) a brief description of the project and program.

g. The Company will provide steam plant availability and performance statistics for each steam production unit for the prior year's winter and summer periods.

h. For steam production and distribution O&M expenses,

1. the Company will provide its annual budget for each O&M program;
2. where the Company's actual O&M expenses for the previous rate year vary by more than fifteen (15) percent from the previous year's estimates by major maintenance O&M functional category, the Company will also provide an explanation for any such variations.

ii. For the quarterly reports due **March 31** (covering November – January)**, June 30** (covering February – April)**, and September 30** (covering May – July):

a. The capital expenditures will be broken down into the following categories: (1) steam distribution; (2) steam production; (3) steam IT; and (4) interference.

b. For each project and program, the Company will provide actual spend, budgeted spend, and variance.

c. Where the Company's expenditures have varied by more than fifteen (15) percent from the budgeted amount, the Company will provide a detailed explanation and justification for such variation. For any project or program that is added but is not included on Attachment 1, the Company will provide a brief explanation of the project or program.

d. Reporting will be on program-level basis only, not a project-level basis, except for projects that do not fit into program categories, such as the Steam Digital Optimization Phase 2 project.

iii. Attachment 1 contains the list of planned steam capital projects and programs.

## Appendix 7, Attachment 1 – Capital Projects

The Company has the flexibility over the term of the Steam Rate Plan to modify the list, priority, nature and scope of its capital programs and projects.

The Commission has found: "[i]n rate proceedings, the utility proposes capital projects, and Staff reviews the proposed projects and files testimony explaining which projects the Commission should or should not allow funding for. In that testimony, Staff explains the basis and need for the utility's proposed project and recommends a level of funding in the rate year. It is axiomatic that utility capital budgets are fungible, and often capital projects that a utility proposes in a rate proceeding are slipped in order to address more pressing capital work needs. This is because the Commission approves only funding in rate orders, not the individual projects. While such changes are subject to a prudence review, the Commission generally accepts the utility's reasonably supported decisions to slip or substitute projects." *Order Addressing Cost Recovery of Idlewild Project*, Case 22-E-0064 at p. 24 (Jan. 19, 2024).

**Consolidated Edison Company of New York, Inc.**

**Case 25-S-0741**

**Steam Capital Projects**

($000's)

| Line No. | Project Number | Project Name | RY1 | RY2 | RY3 | Line No. |
|---|---|---|---|---|---|---|
| 1 | 25524251 | Steam GIS Conflation | $4,200 | $0 | $0 | 1 |
| 2 | 27124816 | Kongsberg Model Enhancement | $250 | $250 | $300 | 2 |
| 3 | 27124817 | Steam Operational Technology Upgrades | $1,688 | $1,976 | $1,530 | 3 |
| 4 | 27569750 | Steam Digital Optimization Solution Phase 2 | $2,420 | $3,195 | $2,831 | 4 |
| 5 | 28242615 | ECC Simulator | $500 | $0 | $0 | 5 |
| 6 | 28242616 | OOWP and Rounds System | $1,000 | $1,000 | $500 | 6 |
| 7 | 28242617 | FUELS Day 2 | $2,655 | $0 | $0 | 7 |
| 8 | 10041825 | Interference Projects Various Locations | $9,213 | $9,992 | $10,862 | 8 |
| 9 | 27052118 | SANDTWOBR_Steam | $80 | $0 | $0 | 9 |
| 10 | 27718805 | MED 669 7th Ave Steam | $2,791 | $2,626 | $2,022 | 10 |
| 11 | 10040736 | Main Valve Replacement Program | $1,683 | $1,805 | $1,945 | 11 |
| 12 | 10040737 | Anchor Replacement Program | $7,429 | $6,934 | $7,000 | 12 |
| 13 | 10040739 | Remote Monitoring System Enhancement | $2,674 | $2,796 | $2,703 | 13 |
| 14 | 10040742 | Limitorque Angle Valve Replacement | $56 | $57 | $58 | 14 |
| 15 | 10040749 | Steam Excavation Projects | $20,903 | $22,504 | $23,337 | 15 |
| 16 | 10040751 | Meter Purchase Program | $1,249 | $1,501 | $1,500 | 16 |
| 17 | 10041437 | Manhole Rebuild Program | $5,352 | $5,594 | $5,817 | 17 |
| 18 | 10041824 | New Business Various Locations | $6,085 | $9,094 | $7,222 | 18 |
| 19 | 10041829 | Meter Purchase Program Customer Load Changes | $197 | $199 | $200 | 19 |
| 20 | 10041827 | Customer Load Changes Install | $192 | $199 | $200 | 20 |
| 21 | 24116677 | Steam Distribution System Reliability Enhancements | $12,085 | $14,157 | $14,984 | 21 |
| 22 | 24639379 | Remote Metering Enhancement Program Meter Install | $3,541 | $3,671 | $3,583 | 22 |
| 23 | 24611278 | Balance of Plant Replacement Projects SP 74th | $1,405 | $833 | $1,000 | 23 |
| 24 | 24611281 | Balance of Plant Replacement Projects SP 59th | $2,700 | $250 | $2,717 | 24 |
| 25 | 24611290 | Balance of Plant Risk Reduction Project SP 74th | $1,107 | $1,171 | $3,750 | 25 |
| 26 | 24611291 | Balance of Plant Risk Reduction Project SP 59th | $0 | $125 | $25 | 26 |
| 27 | 24611292 | Balance of Plant Risk Reduction Project SP ER | $500 | $941 | $1,000 | 27 |
| 28 | 24611294 | Civil & Structural Projects SP 74th | $6,862 | $1,996 | $1,833 | 28 |
| 29 | 24611298 | Civil & Structural Projects SP 59th | $1,200 | $1,853 | $1,158 | 29 |
| 30 | 24611300 | Civil & Structural Projects SP ER | $696 | $104 | $0 | 30 |
| 31 | 24611312 | Instrument & Control Replacement Projects SP 74th | $6,511 | $2,379 | $992 | 31 |
| 32 | 24611319 | Instrument & Control Replacement Projects SP 59th | $650 | $1,250 | $1,083 | 32 |
| 33 | 24611333 | Instrument & Control Replacement Projects SP ER | $400 | $0 | $0 | 33 |
| 34 | 24611396 | Instrument & Control Risk Reduction Projects SP 74 | $787 | $1,475 | $667 | 34 |
| 35 | 24611493 | Instrument & Control Risk Reduction Projects SP 59 | $4,273 | $3,777 | $667 | 35 |
| 36 | 24611494 | Instrument & Control Risk Reduction Projects SP ER | $671 | $1,200 | $1,483 | 36 |
| 37 | 24611500 | Major Equipment Replacement Projects SP 74th | $301 | $4,465 | $2,508 | 37 |
| 38 | 24611509 | Major Equipment Replacement Projects SP 59th | $0 | $417 | $5,000 | 38 |
| 39 | 24611520 | Major Equipment Replacement Projects SP ER | $21,792 | $5,901 | $2,667 | 39 |
| 40 | 24611530 | Mechanical Facilities SP 59th | $100 | $417 | $500 | 40 |
| 41 | 24611535 | Mechanical Facilities SP 74th | $782 | $1,235 | $1,183 | 41 |
| 42 | 24611572 | Mechanical Facilities SP ER | $100 | $625 | $125 | 42 |
| 43 | 24611577 | Power Distribution Replacement Projects SP 74th | $225 | $1,667 | $2,000 | 43 |
| 44 | 24611585 | Power Distribution Replacement Projects SP 59th | $0 | $417 | $917 | 44 |
| 45 | 24611590 | Power Distribution Replacement Projects SP ER | $21 | $333 | $67 | 45 |
| 46 | 24611600 | Power Distribution Risk Reduction Projects SP 74th | $950 | $417 | $500 | 46 |
| 47 | 25395263 | Major Equipment Risk Reduction Projects SP 59th | $0 | $833 | $167 | 47 |
| 48 | 25395264 | Power Distribution Risk Reduction Projects SP 59th | $0 | $0 | $250 | 48 |
| 49 | 25395265 | Balance of Plant Replacement Projects SP ER | $1,303 | $2,605 | $5,483 | 49 |
| 50 | 25395266 | Environmental SP ER | $1,000 | $942 | $167 | 50 |
| 51 | 25395267 | Major Equipment Risk Reduction Projects SP 74th | $900 | $750 | $150 | 51 |
| 52 | 25395268 | Power Distribution Risk Reduction Projects SP ER | $0 | $0 | $167 | 52 |
| 53 | 26944221 | Safety / Security SP 74th | $604 | $712 | $550 | 53 |
| 54 | 26944222 | Safety / Security SP 59th | $1,129 | $0 | $833 | 54 |
| | | **Total** | **$143,209** | **$126,639** | **$126,202** | |

# Appendix 8 – Book Depreciation Rates

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
**AVERAGE SERVICE LIVES, NET SALVAGE**
**ANNUAL DEPRECIATION RATES AND LIFE TABLES**
**(EFFECTIVE 11/1/2026)**

| PSC ACCT NUMBER | ACCOUNT DESCRIPTION | LIFE TABLE | AVERAGE SERVICE LIFE (Years) | NET SALVAGE % | ANNUAL RATE % | |
|---|---|---|---|---|---|---|
| PRODUCTION PLANT | | | | | | |
| (Excluding ERRP & 74th St (transferred from Electric) | | | | | | |
| 310200 | S Land & LR - Lshlds-59th St | | | | | (A)(B) |
| 310300 | S Land & LR - Lshlds-74th St | | | | | (A)(B) |
| 311100 | S Structures & Improvements | R1 | 90 | (25) | 4.25% | (B)(C) |
| 312100 | S Boiler Plant Equipment | R1 | 50 | (25) | 4.79% | (B)(C) |
| 315100 | S Accessory Power Equipment | R0.5 | 65 | (25) | 4.21% | (B)(C) |
| 316100 | S Miscellaneous Station Eq | S0.5 | 65 | (25) | 3.38% | (B)(C) |
| PRODUCTION PLANT | | | | | | |
| 74th St ( transferred from Electric) | | | | | | |
| 310400 | S Land & LR-Lshlds-74St FR | | | | | |
| 311200 | S Str & Impr-74th St Fully R | | - | - | 1.25% | |
| 312200 | S Boiler Plant Eq-74th St Fu | | - | - | 1.43% | |
| 315200 | S Acc Power Eq-74th St Fully | | - | - | 0.71% | |
| 316200 | S Misc Station Equipment-74t | | - | - | 0.22% | |
| PRODUCTION & DISTRIBUTION PLANT - ERRP | | | | | | |
| 311300 | S Str & Impr-ERRP | R1 | 90 | (25) | 3.42% | (C) |
| 312300 | S Boiler Plant Eq-ERRP | R1 | 50 | (25) | 3.89% | (C) |
| 315300 | S Accessory Power Eq-ERRP | R0.5 | 65 | (25) | 3.65% | (C) |
| 316300 | S Misc Station Equipment-ERR | S0.5 | 65 | (15) | 3.17% | (C) |
| 353020 | S Steam Mains-ERRP | R0.5 | 80 | (100) | 2.50% | |
| 353120 | S Stm Mains - Desuperheating | R0.5 | 35 | (25) | 3.58% | |
| DISTRIBUTION PLANT(Excluding ERRP) | | | | | | |
| 303040 | S Cap Sftw for Steam 5 yr | SQ | 5 | - | 20.00% | (D) |
| 303041 | S Cap Sftw for Steam 5 yr Cloud | SQ | 5 | - | 20.00% | (D) |
| 351000 | S Structures & Improvements | R3 | 55 | (10) | 1.82% | |
| 353010 | S Steam Mains | R0.5 | 80 | (100) | 2.50% | |
| 353110 | S Stm Mains - Desuperheating | S0 | 35 | (25) | 3.51% | |
| 359000 | S Services | R0.5 | 60 | (75) | 2.92% | |
| 360000 | S Meter - Purchases | S1.5 | 40 | (5) | 2.62% | |
| 361000 | S Acc Eq on Cust Prem | S0 | 50 | (15) | 2.30% | |
| 362000 | S Inst of Meter & Acc Eq | S0 | 60 | (20) | 2.00% | |

**NOTES**
**(A)** **Remaining life amortization by location.**
**(B)** **Other than the fully recovered investment at the 74th Street Station.**
**(C)** **Life Span method used with interim survivor curve.**
**(D)** **Amortization in accordance with the Software Accounting Guideline.**

# Appendix 9 – Common Allocation Factors

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

Case 25-S-0741

Common Allocation Factors

| | Electric | Gas | Steam |
|---|---|---|---|
| **Administrative & General Expenses**<br>(FERCs 9200 - 9350) | 73.35% | 21.90% | 4.75% |
| **Customer Accounting Expenses**<br>(FERCs 9010 - 9160) | 85.00% | 15.00% | - |
| **Taxes Other than Income Taxes/Property Taxes** | 73.35% | 21.90% | 4.75% |
| **Common Plant (including Property Taxes on Common Plant)** | 83.00% | 17.00% | - |
| **Common M&S** | 73.35% | 21.90% | 4.75% |

# Appendix 10 – Steam Revenue Allocation and Rate Design

**Consolidated Edison Company of New York, Inc.**
**Case 25-S-0741**
**Revenue Allocation and Rate Design**

## Revenue Allocation

The revenue increase for each Rate Year ("RY") was allocated among the service classes in accordance with the following general procedure. The system pure base revenue[1] change, less gross receipts taxes, for each Rate Year was allocated among the classes in two steps:

Step 1: Revenue Realignment

Pure base revenues at the current rate level were realigned in each Rate Year to address one third of the revenue surpluses/deficiencies resulting from the Company's 2024 Embedded Cost of Service ("ECOS") study before applying the otherwise applicable revenue changes.

The specific revenue adjustments for each customer class are set forth in Table 1A of this Appendix. The customer classes consist of five classes: Service Class ("SC") 1, SC 2 Rate I (Non-Demand), SC 2 Rate II (Demand), SC 3 Rate I (Non-Demand), and SC 3 Rate II (Demand).[2]

Surplus classes are SC 2 Rate II and SC 3 Rate II. Deficient classes are SC 1, SC 2 Rate I, and SC3 Rate I.

The revenue surpluses/deficiencies from Table 1A applicable to each customer class are also shown in Table 2 of this Appendix. The total revenue surpluses/deficiencies are shown in column (2) of Table 2. In column (2b) of Table 2, an adjustment equal to one third of each class-specific revenue surplus/deficiency was added to the pure base revenue before application of the class-specific revenue increases to establish the re-aligned pure base revenues that are shown in column (2c) of Table 2.

Step 2: Allocation of Pure Base Revenue Change

For each Rate Year, an overall pure base revenue percentage increase was developed by dividing the Rate Year revenue increase (i.e., $25.96 million for RY 1, $26.88 million for RY 2, and $27.83 million for RY 3, which exclude GRT), by the total Rate Year system pure base revenue from Step 1. The resultant overall pure base percentage increase was then multiplied by each classes' re-aligned pure base revenue, shown in column (2c) of Table 2, to arrive at the Rate Year pure base revenue increase in column (2d) of Table 2. Total pure base revenue changes, including surplus and deficiency indications, are shown in column (2e) of Table 2. In order to mitigate the service class bill impacts, the class-specific pure

[1] Pure Base Revenue is defined in the Steam Tariff (Leaf 6).
[2] For the purposes of revenue allocation, the revenues associated with SC 4 customers have been included in the corresponding SC 2 and SC 3 classes in which the customers would otherwise take service.

base revenue percentage changes were set to not exceed 1.5 times the overall pure base revenue percentage increase after application of the one third class-specific deficiency and surplus indications from the ECOS study. The steps to develop the mitigation adjustments are shown in columns (2f) through (2j). The final pure base revenue changes reflecting the mitigation are shown in column (2k) of Table 2.

## Rate Design

### Customer Charges

For each Rate Year, the customer charges, including the component relating to the fixed fuel costs, for each class were set based on the class percentage change shown in column (2l) of Table 2. These percentage changes reflect the final pure base revenue changes shown in column (2k) of Table 2 to the class pure base revenue level (at current rates) shown in column (1c) of Table 2. The resulting customer charges are summarized below.

| Customer Class | Customer Charges | | |
|---|---|---|---|
| | RY 1 | RY 2 | RY3 |
| SC 1 | $2,219.43 | $2,358.43 | $2,507.43 |
| SC 2 Rate I & SC 4 Rate I | $5,874.43 | $6,189.43 | $6,522.43 |
| SC 2 Rate II & SC4 Rate III | $7,813.43 | $8,111.43 | $8,423.43 |
| SC 3 Rate I & SC4 Rate II | $4,831.43 | $5,117.43 | $5,419.43 |
| SC 3 Rate II & SC4 Rate IV | $3,886.43 | $3,988.43 | $4,094.43 |

### Usage and Demand Charges

The usage and/or demand charges in SC 1, SC 2 Rate I, SC 2 Rate II, SC 3 Rate I, and SC 3 Rate II, as applicable, were then increased to recover the balance of each class's assigned revenue increase after adjusting for changes in revenues associated with increases in customer charges. For SCs 1, 2 Rate I, 2 Rate II, 3 Rate I, and 3 Rate II, usage and demand charges, as applicable, were increased by a percentage equal to (1) the adjusted pure base revenue increase divided by (2) usage and demand charge revenues at the current rate level. Both usage and demand charges were adjusted for the expected change in corresponding SC 4 revenues.

Consistent with the SC 4 rate design approved by the Commission in its *Opinion and Order Adopting Term of Settlement* in Case 99-S-1621, issued and effective December 1, 2000, SC 4 rates were designed to recover the same revenues that would be recovered if all eligible customers were billed at the applicable non-standby rate. Accordingly, SC 4 Rate I and Rate II customer charges were set equal to the proposed SC 2 and SC 3 Rate I customer charges, respectively, and SC 4 Rate III and Rate IV customer charges were set equal to the proposed SC 2 and SC 3 Rate II customer charges, respectively. The balance of each class's required annual revenues was collected through contract demand charges and winter usage charges. The usage charges during the summer months for both peak and off-peak period customers were set to the base cost of fuel.

Total SC Revenue Impacts

The total revenue increases in RYs 1, 2, and 3 for each customer class are shown in column (C) of Table 3 which are equal to the pure base revenue change including GRT described in Step 2. The pure base revenue impacts for each customer class shown in column (D) of Table 3 reflect the percentage increase over the Rate Year pure base revenue in column (A). Revenue impacts on a total bill basis for each customer class shown in column (E) of Table 3 reflect the percentage increases over the Rate Year total bill revenue in column (B).

Rates and Revenue Level After the Rate Plan

If the Company does not file for new rates to be effective after the Rate Plan, the Company will make a compliance filing effective after the Rate Plan. Such a compliance filing will reflect higher revenues due to: (1) the difference in shaped and non-shaped revenue levels, and (2) the discontinuation of the regulatory asset for unbilled revenues. Estimated revenue and summary of revenue increases associated with a compliance filing are shown in Table 4.

Rate Year One Revenue Requirement Recovery

If the Commission decides this rate case after November 1, 2026, such that new rates are implemented after November 1, 2026, the Company will recover Pure Base Revenue shortfalls or refund over-collections that result from the extension of the suspension period in this proceeding through a Delivery Revenue Surcharge (“DRS”). The DRS will reconcile the shortfalls or over-collections, plus interest (e.g., at the Other Customer Capital Rate), through the end of RY 1. The unit amounts to be collected from or refunded to customers will be shown by class on the Statement of Delivery Revenue Surcharge (or “SDR Statement”). Any difference between amounts required to be collected/refunded and actual amounts collected/refunded will be charged or credited to customers in a subsequent SDR Statement.

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

**Case No. 25-S-0741**

**Embedded Cost-of-Service Study Results**

**For the Year 2024**

**Table 1A**

| Service Classification | Initial Adjusted Surplus/Deficiency* ($) | Phase-in Surplus/Deficiency* ($) | RY 1 Adjusted Surplus/Deficiency* ($) | RY 2 Adjusted Surplus/Deficiency* ($) | RY 3 Adjusted Surplus/Deficiency* ($) |
|---|---|---|---|---|---|
| | (1) | (2) = (1) / 3 | (3) = (1) - (2) | (4) = (3) - (2) | (5) = (4) - (2) |
| Individual Classes | | | | | |
| SC 1 | ($11,409,669) | ($3,803,223) | ($7,606,446) | ($3,803,223) | $0 |
| SC 2 Rate I | (1,294,022) | (431,341) | (862,681) | (431,341) | (0) |
| SC 2 Rate II | 9,782,129 | 3,260,710 | 6,521,420 | 3,260,710 | (0) |
| SC 3 Rate I | (2,564,286) | (854,762) | (1,709,524) | (854,762) | (0) |
| SC 3 Rate II | 5,485,846 | 1,828,615 | 3,657,231 | 1,828,615 | (0) |
| TOTAL SYSTEM | $0 | $0 | $0 | $0 | ($0) |

*Deficiencies shown as negative

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**
**Case No. 25-S-0741**
**Estimated Steam Revenue for Rate Year 1 Ending 10/31/27**
**Shaped**

| Development of Rate Year 1 Base Rate Changes: | | |
|---|---|---|
| (A) | $26,582,316 | Proposed RY1 Pure Base Rev Increase incl. GRT |
| (B) | 2.391035% | RY1 Weighted Average GRT |
| (C)=(A)/(1+B) | $25,961,566 | Proposed RY1 Pure Base Rev Increase excl. GRT |
| (D) | $567,467,303 | RY1 Pure Base Rev at 11/1/25 Rev Level |
| (E)=(C)/(D) | 4.574989% | Proposed RY1 Average Pure Base Rev % Increase |
| (F)=(1a) | 15,912,744 | RY1 Sales (Mlbs) |

Adj to ECOS Study Deficiency /(Surplus) (2a) => 33.333%

Mitigation Factor: 1.5

| | (1a) | (1b) | (1c) | (2) | (2b)=(2)*(2a) | (2c)=(2b)+(1c) | (2d)=(2c)*(E) | (2e)=(2b)+(2d) | (2f)=(2e)/(1c) | (2g) | (2h)=Adj to Cap the Mitigation | (2i)=Offset the Mitigation Change | (2j)=(2h)+(2i) | (2k)=(2e)+(2j) | (2l)=(2k)/(1c) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Service Class | RY1 Sales Mlbs | RY1 Base Rev at 11/1/25 Current Rate Level** | RY1 Pure Base Rev at 11/1/25 Current Rate Level*** | Total Deficiency /(Surplus) from ECOS | Rate Year Deficiency /(Surplus) Adj | RY1 Re-aligned Pure Base Rev at 11/1/25 Rate Level | RY1 Proposed Pure Base Rev Change | RY1 Total T&D Increase Including Deficiency /(Surplus) | RY1 Total T&D Rate Increase % (RY1 vs. Current) | Eligible for Mitigation | Mitigation Adjustment Limiting to 1.5 Times Overall Increase | Mitigation Increase Allocated Based on RY Bundled T&D Rev | Mitigation Adjustment | RY1 Net Proposed Base Rev Change w.Deficiency/ Surplus Adj & All Mitigation Adj | RY1 Proposed % Pure Base Rev Change w.Mitigation Adj |
| 1 | 458,011 | $36,628,324 | $32,964,443 | $11,409,669 | $3,803,223 | $36,767,666 | $1,682,117 | $5,485,340 | 16.64% | Y | ($3,223,160) | $0 | ($3,223,160) | $2,262,180 | 6.86% |
| 2 Rate I & 4 Rate I | 2,067,275 | 119,145,932 | 105,523,713 | 1,294,022 | 431,341 | 105,955,054 | 4,847,432 | 5,278,773 | 5.00% | N | 0 | 636,329 | 636,329 | 5,915,102 | 5.61% |
| 2 Rate II & 4 Rate III | 8,174,486 | 319,124,668 | 268,045,312 | (9,782,129) | (3,260,710) | 264,784,602 | 12,113,866 | 8,853,156 | 3.30% | N | 0 | 1,616,367 | 1,616,367 | 10,469,523 | 3.91% |
| 3 Rate I & 4 Rate II | 2,318,415 | 97,551,287 | 82,206,770 | 2,564,286 | 854,762 | 83,061,532 | 3,800,056 | 4,654,818 | 5.66% | N | 0 | 495,723 | 495,723 | 5,150,541 | 6.27% |
| 3 Rate II & 4 Rate IV | 2,894,557 | 96,904,379 | 78,727,065 | (5,485,846) | (1,828,615) | 76,898,450 | 3,518,096 | 1,689,481 | 2.15% | N | 0 | 474,740 | 474,740 | 2,164,221 | 2.75% |
| Subtotal* | 15,912,744 | $669,354,589 | $567,467,303 | $0 | $0 | $567,467,303 | $25,961,567 | $25,961,567 | 4.57% | | ($3,223,160) | $3,223,159 | ($1) | $25,961,566 | 4.57% |
| SC5 Discount | | (183,547) | (183,547) | | | | | | | | | | | | |
| Total | 15,912,744 | $669,171,043 | $567,283,756 | | | | | | | | | | | | |

*Subtotals exclude SC5 (Negotiated Agreement Service) discount.
** Base Revenue means Pure Base Revenue plus Base Cost of Fuel.
***Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
## Case No. 25-S-0741
## Estimated Steam Revenue for Rate Year 2 Ending 10/31/28
## Shaped

| Development of Rate Year 2 Base Rate Changes: | | |
|---|---|---|
| (A) | $27,523,122 | Proposed RY2 Pure Base Rev Increase incl. GRT |
| (B) | 2.391035% | RY2 Weighted Average GRT |
| (C)=(A)/(1+B) | $26,880,402 | Proposed RY2 Pure Base Rev Increase excl. GRT |
| (D) | $587,737,722 | RY2 Pure Base Rev at 11/1/26 Rev Level |
| (E)=(C)/(D) | 4.573537% | Proposed RY2 Average Pure Base Rev % Increase |
| (F)=(1a) | 15,790,731 | RY2 Sales (Mlbs) |

Adj to ECOS Study Deficiency /(Surplus) (2a) => 33.333%

Mitigation Factor: 1.5

| Service Class | RY2 Sales Mlbs | RY2 Base Rev at 11/1/26 Rate Level** | RY2 Pure Base Rev at 11/1/26 Rate Level*** | Total Deficiency /(Surplus) from ECOS | Rate Year Deficiency /(Surplus) Adj | RY2 Re-aligned Pure Base Rev at 11/1/26 Rate Level | RY2 Proposed Pure Base Rev Change | RY2 Total T&D Increase Including Deficiency /(Surplus) | RY2 Total T&D Rate Increase % (RY2 vs. RY1) | Eligible for Mitigation | Mitigation Adjustment Limiting to 1.5 Times Overall Increase | Mitigation Increase Allocated Based on RY Bundled T&D Rev | Mitigation Adjustment | RY2 Net Proposed Base Rev Change w.Deficiency/ Surplus Adj & All Mitigation Adj | RY2 Proposed % Pure Base Rev Change w.Mitigation Adj |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (1a) | (1b) | (1c) | (2) | (2b)=(2)*(2a) | (2c)=(2b)+(1c) | (2d)=(2c)*(E) | (2e)=(2b)+(2d) | (2f)=(2e)/(1c) | (2g) | (2h)=Adj to Cap the Mitigation | (2i)=Offset the Mitigation Change | (2j)=(2h)+(2i) | (2k)=(2e)+(2j) | (2l)=(2k)/(1c) |
| 1 | 454,204 | $38,629,648 | $34,989,599 | $11,409,669 | $3,803,223 | $38,792,822 | $1,774,204 | $5,577,427 | 15.94% | Y | ($3,177,033) | $0 | ($3,177,033) | $2,400,394 | 6.86% |
| 2 Rate I & 4 Rate I | 2,047,760 | 124,065,153 | 110,562,745 | 1,294,022 | 431,341 | 110,994,086 | 5,076,356 | 5,507,697 | 4.98% | N | 0 | 635,482 | 635,482 | 6,143,179 | 5.56% |
| 2 Rate II & 4 Rate III | 8,102,010 | 325,610,450 | 274,980,778 | (9,782,129) | (3,260,710) | 271,720,068 | 12,427,218 | 9,166,508 | 3.33% | N | 0 | 1,580,508 | 1,580,508 | 10,747,016 | 3.91% |
| 3 Rate I & 4 Rate II | 2,303,327 | 102,180,664 | 86,927,133 | 2,564,286 | 854,762 | 87,781,895 | 4,014,737 | 4,869,499 | 5.60% | N | 0 | 499,631 | 499,631 | 5,369,130 | 6.18% |
| 3 Rate II & 4 Rate IV | 2,883,430 | 98,386,530 | 80,277,467 | (5,485,846) | (1,828,615) | 78,448,852 | 3,587,887 | 1,759,272 | 2.19% | N | 0 | 461,411 | 461,411 | 2,220,683 | 2.77% |
| Subtotal* | 15,790,731 | $688,872,445 | $587,737,722 | $0 | $0 | $587,737,722 | $26,880,402 | $26,880,402 | 4.57% | N | ($3,177,033) | $3,177,032 | ($1) | $26,880,401 | 4.57% |
| SC5 Discount | | (106,133) | (106,133) | | | | | | | | | | | | |
| Total | 15,790,731 | $688,766,312 | $587,631,589 | | | | | | | | | | | | |

*Subtotals exclude SC5 (Negotiated Agreement Service) discount.
** Base Revenue means Pure Base Revenue plus Base Cost of Fuel.
***Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
## Case No. 25-S-0741
## Estimated Steam Revenue for Rate Year 3 Ending 10/31/29
## Shaped

| Development of Rate Year 3 Base Rate Changes: | | |
|---|---|---|
| (A) | $28,497,225 | Proposed RY3 Pure Base Rev Increase incl. GRT |
| (B) | 2.391035% | RY3 Weighted Average GRT |
| (C)=(A)/(1+B) | $27,831,758 | Proposed RY3 Pure Base Rev Increase excl. GRT |
| (D) | $604,612,053 | RY3 Pure Base Rev at 11/1/27 Rev Level |
| (E)=(C)/(D) | 4.603242% | Proposed RY3 Average Pure Base Rev % Increase |
| (F)=(1a) | 15,509,083 | RY3 Sales (Mlbs) |

Adj to ECOS Study Deficiency /(Surplus) (2a) => 33.333%

Mitigation Factor: 1.5

| Service Class | RY3 Sales Mlbs | RY3 Base Rev at 11/1/27 Rate Level** | RY3 Pure Base Rev at 11/1/27 Rate Level*** | Total Deficiency /(Surplus) from ECOS | Rate Year Deficiency /(Surplus) Adj | RY3 Re-aligned Pure Base Rev at 11/1/27 Rate Level | RY3 Proposed Pure Base Rev Change | RY3 Total T&D Increase Including Deficiency /(Surplus) | RY3 Total T&D Rate Increase % (RY3 vs. RY2) | Eligible for Mitigation | Mitigation Adjustment Limiting to 1.5 Times Overall Increase | Mitigation Increase Allocated Based on RY Bundled T&D Rev | Mitigation Adjustment | RY3 Net Proposed Base Rev Change w.Deficiency/ Surplus Adj & All Mitigation Adj | RY3 Proposed % Pure Base Rev Change w.Mitigation Adj |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (1a) | (1b) | (1c) | (2) | (2b)=(2)*(2a) | (2c)=(2b)+(1c) | (2d)=(2c)*(E) | (2e)=(2b)+(2d) | (2f)=(2e)/(1c) | (2g) | (2h)=Adj to Cap the Mitigation | (2i)=Offset the Mitigation Change | (2j)=(2h)+(2i) | (2k)=(2e)+(2j) | (2l)=(2k)/(1c) |
| 1 | 442,556 | $40,193,737 | $36,628,539 | $11,409,669 | $3,803,223 | $40,431,762 | $1,861,172 | $5,664,395 | 15.46% | Y | ($3,135,244) | $0 | ($3,135,244) | $2,529,151 | 6.90% |
| 2 Rate I & 4 Rate I | 1,997,890 | 127,308,075 | 114,115,463 | 1,294,022 | 431,341 | 114,546,804 | 5,272,867 | 5,704,208 | 5.00% | N | 0 | 629,912 | 629,912 | 6,334,120 | 5.55% |
| 2 Rate II & 4 Rate III | 7,972,504 | 331,582,334 | 281,753,448 | (9,782,129) | (3,260,710) | 278,492,738 | 12,819,695 | 9,558,985 | 3.39% | N | 0 | 1,555,267 | 1,555,267 | 11,114,252 | 3.94% |
| 3 Rate I & 4 Rate II | 2,258,154 | 105,757,924 | 90,785,226 | 2,564,286 | 854,762 | 91,639,988 | 4,218,410 | 5,073,172 | 5.59% | N | 0 | 501,130 | 501,130 | 5,574,302 | 6.14% |
| 3 Rate II & 4 Rate IV | 2,837,978 | 99,157,101 | 81,329,377 | (5,485,846) | (1,828,615) | 79,500,762 | 3,659,612 | 1,830,997 | 2.25% | N | 0 | 448,935 | 448,935 | 2,279,932 | 2.80% |
| Subtotal* | 15,509,083 | $703,999,171 | $604,612,053 | $0 | $0 | $604,612,053 | $27,831,756 | $27,831,756 | 4.60% | N | ($3,135,244) | $3,135,244 | $0 | $27,831,756 | 4.60% |
| SC5 Discount | | 0 | 0 | | | | | | | | | | | | |
| Total | 15,509,083 | $703,999,171 | $604,612,053 | | | | | | | | | | | | |

*Subtotals exclude SC5 (Negotiated Agreement Service) discount.
** Base Revenue means Pure Base Revenue plus Base Cost of Fuel.
***Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

**Case No. 25-S-0741**

**Steam - Summary of Revenue Increases**

**Rate Year (RY) 1 - Shaped**

| | Revenues at 11/1/25 Rates | | RY1 Rate Change | RY1 Increase % | |
|---|---|---|---|---|---|
| Service Class | Rate Year Total Pure Base Revenue [1] Including GRT | Rate Year Total Bill Revenue Including GRT | Total Rate Year Increase Including GRT | Pure Base Revenue % Increase Over RY1 Revenue at 11/1/25 Rate Level | Bill % Increase Over RY1 Revenue at 11/1/25 Rate Level |
| | (A) | (B) | (C) | (D)=(C)/(A) | (E)=(C)/(B) |
| SC 1 | $33,752,634 | $39,401,119 | $2,316,270 | 6.9% | 5.9% |
| SC 2 Rate I | 107,858,886 | 130,369,098 | 6,056,535 | 5.6% | 4.6% |
| SC 2 Rate II | 274,454,369 | 360,612,299 | 10,719,853 | 3.9% | 3.0% |
| SC 3 Rate I | 84,172,363 | 109,486,231 | 5,273,692 | 6.3% | 4.8% |
| SC 3 Rate II | 80,609,457 | 111,210,131 | 2,215,968 | 2.7% | 2.0% |
| Total | $580,847,709 | $751,078,878 | $26,582,318 | 4.6% | 3.5% |

Notes

[1] Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

**Case No. 25-S-0741**

**Steam - Summary of Revenue Increases**

**Rate Year (RY) 2 - Shaped**

| | Revenues at 11/1/26 Rates | | RY2 Rate Change | RY2 Increase % | |
|---|---|---|---|---|---|
| Service Class | Rate Year Total Pure Base Revenue [1] Including GRT | Rate Year Total Bill Revenue Including GRT | Total Rate Year Increase Including GRT | Pure Base Revenue % Increase Over RY2 Revenue at 11/1/26 Rate Level | Bill % Increase Over RY2 Revenue at 11/1/26 Rate Level |
| | (A) | (B) | (C) | (D)=(C)/(A) | (E)=(C)/(B) |
| SC 1 | $35,826,213 | $41,434,528 | $2,457,788 | 6.9% | 5.9% |
| SC 2 Rate I | 113,097,668 | 135,404,376 | 6,290,065 | 5.6% | 4.6% |
| SC 2 Rate II | 281,555,665 | 366,952,976 | 11,003,982 | 3.9% | 3.0% |
| SC 3 Rate I | 89,005,591 | 114,163,804 | 5,497,509 | 6.2% | 4.8% |
| SC 3 Rate II | 82,196,929 | 112,681,635 | 2,273,780 | 2.8% | 2.0% |
| Total | $601,682,066 | $770,637,319 | $27,523,124 | 4.6% | 3.6% |

Notes

(1) Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

**Case No. 25-S-0741**

**Steam - Summary of Revenue Increases**

**Rate Year (RY) 3 - Shaped**

| | Revenues at 11/1/27 Rates | | RY3 Rate Change | RY3 Increase % | |
|---|---|---|---|---|---|
| Service Class | Rate Year Total Pure Base Revenue [1] Including GRT | Rate Year Total Bill Revenue Including GRT | Total Rate Year Increase Including GRT | Pure Base Revenue % Increase Over RY3 Revenue at 11/1/27 Rate Level | Bill % Increase Over RY3 Revenue at 11/1/27 Rate Level |
| | (A) | (B) | (C) | (D)=(C)/(A) | (E)=(C)/(B) |
| SC 1 | $37,504,340 | $42,987,770 | $2,589,624 | 6.9% | 6.0% |
| SC 2 Rate I | 116,844,004 | 138,626,958 | 6,485,569 | 5.6% | 4.7% |
| SC 2 Rate II | 288,490,272 | 372,531,261 | 11,379,997 | 3.9% | 3.1% |
| SC 3 Rate I | 92,955,933 | 117,639,501 | 5,707,586 | 6.1% | 4.9% |
| SC 3 Rate II | 83,273,991 | 113,282,376 | 2,334,446 | 2.8% | 2.1% |
| Total | $619,068,540 | $785,067,866 | $28,497,222 | 4.6% | 3.6% |

Notes

[1] Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
## Case No. 25-S-0741
## Estimated Steam Revenue for the 12 Months Ending 10/31/30 [1]

| Development of Rate Year Base Rate Changes: | | |
|---|---|---|
| (A) | $26,454,248 | Proposed RY Pure Base Rev Increase incl. GRT |
| (B) | 2.391035% | RY Weighted Average GRT |
| (C)=(A)/(1+B) | $25,836,488 | Proposed RY Pure Base Rev Increase excl. GRT |
| (D) | $632,444,649 | RY Pure Base Rev at 11/1/28 Rev Level |
| (E)=(C)/(D) | 4.085178% | Proposed RY Average Pure Base Rev % Increase |
| (F)=(1a) | 15,509,083 | RY3 Sales (Mlbs) |

| | (1a) | (1b) | (1c) | (2)=(1c)*(E) | (3)=(2)/(1c) |
|---|---|---|---|---|---|
| Service Class | RY3 Sales Mlbs | RY Base Rev at 11/1/28 Rate Level** | RY Pure Base Rev at 11/1/28 Rate Level*** | RY Proposed Pure Base Rev Change | RY Total T&D Rate Increase % |
| 1 | 442,556 | $42,722,833 | $39,157,635 | $1,599,659 | 4.09% |
| 2 Rate I & 4 Rate I | 1,997,890 | 133,642,518 | 120,449,906 | 4,920,593 | 4.09% |
| 2 Rate II & 4 Rate III | 7,972,504 | 342,696,916 | 292,868,030 | 11,964,180 | 4.09% |
| 3 Rate I & 4 Rate II | 2,258,154 | 111,332,092 | 96,359,394 | 3,936,453 | 4.09% |
| 3 Rate II & 4 Rate IV | 2,837,978 | 101,437,408 | 83,609,684 | 3,415,604 | 4.09% |
| Subtotal* | 15,509,083 | $731,831,767 | $632,444,649 | $25,836,489 | 4.09% |
| SC5 Discount | | 0 | 0 | | |
| Total | 15,509,083 | $731,831,767 | $632,444,649 | | |

[1] If the Company does not file for new rates to be effective November 1, 2029.
*Subtotals exclude SC5 (Negotiated Agreement Service) discount.
** Base Revenue means Pure Base Revenue plus Base Cost of Fuel.
***Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

# CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

**Case No. 25-S-0741**

**Steam - Summary of Revenue Increases**

**12 Months Ending 10/31/30 [1]**

| Service Class | Revenues at 11/1/28 Rates: Rate Year Total Pure Base Revenue [2] Including GRT | Revenues at 11/1/28 Rates: Rate Year Total Bill Revenue Including GRT | RY Rate Change: Total Rate Year Increase Including GRT | RY Increase %: Pure Base Revenue % Increase Over RY Revenue at 11/1/28 Rate Level | RY Increase %: Bill % Increase Over RY Revenue at 11/1/28 Rate Level |
|---|---|---|---|---|---|
| | (A) | (B) | (C) | (D)=(C)/(A) | (E)=(C)/(B) |
| SC 1 | $40,093,908 | $45,577,338 | $1,637,907 | 4.1% | 3.6% |
| SC 2 Rate I | 123,329,905 | 145,112,859 | 5,038,245 | 4.1% | 3.5% |
| SC 2 Rate II | 299,870,607 | 383,911,596 | 12,250,248 | 4.1% | 3.2% |
| SC 3 Rate I | 98,663,381 | 123,346,949 | 4,030,575 | 4.1% | 3.3% |
| SC 3 Rate II | 85,608,821 | 115,617,206 | 3,497,273 | 4.1% | 3.0% |
| Total | $647,566,622 | $813,565,948 | $26,454,248 | 4.1% | 3.3% |

Notes

[1] If the Company does not file for new rates to be effective November 1, 2029.

[2] Pure Base Revenue is defined in the Steam Tariff (Leaf 6).

## Appendix 11 – Steam Metrics

**Consolidated Edison Company of New York, Inc.**
**Case 25-S-0741**
**Steam Performance Metrics**

The steam performance metrics described herein will be in effect for the term of the Steam Rate Plan. Each performance metric will be measured on a calendar year, such that Rate Year 1 performance will be determined as of December 31, 2027, Rate Year 2 performance as of December 31, 2028, and Rate Year 3 performance as of December 31, 2029.[1] The performance metrics and targets for Rate Year 3 will remain in effect thereafter unless and until changed by the Commission. As detailed in Section I of the Proposal, any negative revenue adjustments will be credited and any positive revenue adjustments will be recovered through the Special Monthly Adjustments mechanism.

## Safety Performance Metrics

### 1. Emergency Leak/Vapor Response

#### a. 45-Minute Response Time

Subject to section 1(c), Con Edison will incur a negative revenue adjustment of six basis points if the Company responds to less than 90 percent of steam leak/vapor calls from third parties within 45 minutes. The Company will not incur a negative revenue adjustment if it responds to 90 percent or more of steam leak/vapor calls from third parties within 45 minutes.

#### b. 60-Minute Response Time

Subject to section 1(c), Con Edison will incur a negative revenue adjustment of four basis points if the Company responds to less than 95 percent of steam leak/vapor calls from third

[1] Negative and positive revenue adjustments that are stated in basis points will be based on a Rate Year calculation of basis points and not a calendar year calculation.

parties within 60 minutes. The Company will not incur a negative revenue adjustment if it responds to 95 percent or more of steam leak/vapor calls from third parties within 60 minutes.

**c. Exclusions**

Steam leak/vapor calls resulting from extreme weather-related occurrences, which for purposes of this metric are defined as a hurricane, tropical storm, named Nor'easter/storm, blizzard, or other events in which the Governor or Mayor declares a state of emergency or otherwise directs the public to stay off the roads, will be excluded from the calculations for the 45- and 60-minute response times, provided that an exclusion filing is made with the Secretary under Case 25-S-0741. All emergency reports from an event shall be included in the exclusion filing. The exclusion filing shall: (1) be filed within 2 weeks from the conclusion of such an event (i.e., Demobilization of the Company Incident Command Structure); (2) detail how and why the event meets the prescribed exclusion criterion; (3) detail the number of emergency reports to be excluded; (4) detail the Company's response time for each of the emergency reports; and (5) detail any steam leaks, their respective Company identification numbers, and their respective dispositions, that the emergency reports identify.

Department Staff and any party shall have the right to challenge or dispute Con Edison's assertion that an exclusion should apply, provided that the challenge is filed within 30 calendar days from the date of the filing of the request for exclusion. If a challenge is filed, the Commission shall determine if the exclusion is applicable.

**d. Emergency Response – Definition**

Response times are measured from the time a report is received by Con Edison to the time a Qualified Responder arrives to the location. A Qualified Responder shall be any person trained in the appropriate Company procedures to recognize abnormal operating conditions, identify any threats to public safety resulting from steam system conditions, and take proper actions to make situations safe, and will include, but is not limited to, steam distribution crews, supervisors, and field planners.

**2. Steam Leak Backlog**

If the year-end leak backlog exceeds the targets of 19 leaks for each of calendar years 2027, 2028 or 2029, a negative revenue adjustment of 10 basis points will be accrued on the Company's books for the benefit of customers for each calendar year that the target of 19 leaks is exceeded. Con Edison will not incur a negative revenue adjustment if the backlog is at or below 19 leaks on any single day between and including December 21 through December 31 of the applicable calendar year.

**3. Steam Critical Location Remote Monitoring System**

**a. Targets**

Subject to section 3(b), Con Edison will incur a negative revenue adjustment of five basis points if the Company does not achieve the following target levels for the Critical Location Remote Monitoring System ("RMS") reporting properly in each calendar year:

| | |
|---|---|
| 2027 | ≥90% |
| 2028 | ≥90% |
| 2029 | ≥91% |

**b. Steam Critical Location RMS Metric – Calculation and Definition**

Reliability of the Critical Location RMS shall be calculated as follows and shown as a percentage:

Number of reporting and functioning RMS sensors in Critical Locations ÷
Total number of RMS sensors in Critical Locations

Reliability for a given month will be calculated on the first business day of the following month. The overall year-to-date reliability will be calculated by taking the average of the monthly reliability percentages for all prior months within that calendar year.

A "Critical Location" shall be defined as:

- A category 1 deep structure where the depth of the steam main is 15 feet or deeper and the steam main has a water impingement issue;
- A category 2 deep structure where the depth of the steam main is between 12 and 15 feet and the steam main has a water impingement issue;
- A structure with at least one permanent pump installed; or
- A steam structure that is removed from the priority list because of the installation of a RMS to monitor its condition.

A "functioning" RMS sensor shall be defined as:

- A trap sensor for which, at the time of the monthly measurement, either the upper or lower trap inlet pipe thermocouple is reporting between 50°F and 500°F and the temperature data is not stale, overridden, suppressed, or not reporting.
- A float sensor for which, at the time of the monthly measurement, there is no float sequence alarm and the float data is not stale, overridden, suppressed, or not reporting.

**4. Reporting and Extenuating Circumstances Applicable to All Steam Safety Performance Metrics**

Con Edison shall file with the Secretary no later than 60 days following the end of the calendar year regarding the Company's performance for each of the Steam Safety Performance Metrics stated in this Appendix.

Con Edison shall have the right to petition the Commission for an exception to any of the Steam Safety Performance Metrics stated in this Appendix (including for instances not covered by the exclusions noted in section 1.c above) and to provide the Commission additional information for consideration before determination of any negative rate adjustments. The associated negative revenue adjustment will be excused if the Company can demonstrate to the Commission extenuating circumstances that prevented it from meeting such performance metric. The determination of whether such circumstances exist will be made on a case-by-case basis by the Commission.

## Customer Satisfaction

To assess the satisfaction level of steam customers:

1. Con Edison will perform two surveys per year of a representative sample of the steam customers who have contacted the Company. The representative sample is defined as a valid statistical sample of customers who have contacted the Company, developed in consultation with an independent professional survey vendor.
2. The Company will continue to use the same survey instrument that it used as part of the 2022 Steam Rate Plan. The surveys will be completed by the end of December and June of every calendar year.

3. Con Edison will prepare an annual report that compiles, summarizes, and identifies key issues associated with the two surveys conducted for the previous calendar year. This report will be completed within 90 days of the end of each calendar year and filed with the Secretary, with copies provided to interested parties who request them.
4. Con Edison will be subject to a $50,000 revenue adjustment each calendar year if it fails to conduct the two surveys and submit the report described above.

## **Steam Variance Metric**

Steam Variance represents the loss of thermal energy between the generation of the steam and the consumption of the steam by the customer. If the total steam variance exceeds the targets set forth below in any calendar year, the Company will incur a negative revenue adjustment. Further, the Company shall receive a positive revenue adjustment if the steam variance is below the associated annual target in any calendar year as detailed below.

| | |
|---|---|
| < 3,600 MMlbs | 3 basis point positive revenue adjustment |
| ≥ 3,600 MMlbs but ≤ 4,000 MMlbs | No adjustment |
| > 4,000 MMlbs but ≤ 4,750 MMlbs | 1 basis point negative revenue adjustment |
| > 4,750 MMlbs but ≤ 5,000 MMlbs | 3 basis point negative revenue adjustment |
| >5 ,000 MMlbs | 5 basis point negative revenue adjustment |

## Appendix 12 – Typical Bill Impacts

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Case No. 25-S-0741
Steam - Typical Customer Bill Impacts
Rate Year 1 - Shaped

| Service Class | Typical Usage | Total Monthly Bill at Present Rate 11/1/25 | Total Monthly Bill at Proposed Rate 11/1/26 | Change | Total Monthly Bill Percent Change |
|---|---|---|---|---|---|
| SC 1 | Monthly Usage = 100 Mlbs | $8,737 | $9,251 | $514 | 5.9% |
| SC 2 Non Demand | Monthly Usage = 750 Mlbs | 43,376 | 45,363 | 1,986 | 4.6% |
| SC 2 Demand | Monthly Usage = 4,800 Mlbs<br>Peak Demand = 20 Mlbs/hr | 188,311 | 193,632 | 5,321 | 2.8% |
| SC 3 Non Demand | Monthly Usage = 900 Mlbs | 38,683 | 40,535 | 1,852 | 4.8% |
| SC 3 Demand | Monthly Usage = 4,900 Mlbs<br>Peak Demand = 20 Mlbs/hr | 188,327 | 191,664 | 3,337 | 1.8% |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Case No. 25-S-0741
Steam - Typical Customer Bill Impacts
Rate Year 2 - Shaped

| | | Total Monthly Bill at | | | Total Monthly Bill |
|---|---|---|---|---|---|
| Service Class | Typical Usage | Present Rate 11/1/26 | Proposed Rate 11/1/27 | Change | Percent Change |
| SC 1 | Monthly Usage = 100 Mlbs | $9,251 | $9,800 | $549 | 5.9% |
| SC 2 Non Demand | Monthly Usage = 750 Mlbs | 45,363 | 47,437 | 2,074 | 4.6% |
| SC 2 Demand | Monthly Usage = 4,800 Mlbs<br>Peak Demand = 20 Mlbs/hr | 193,632 | 199,261 | 5,629 | 2.9% |
| SC 3 Non Demand | Monthly Usage = 900 Mlbs | 40,535 | 42,446 | 1,911 | 4.7% |
| SC 3 Demand | Monthly Usage = 4,900 Mlbs<br>Peak Demand = 20 Mlbs/hr | 191,664 | 195,571 | 3,907 | 2.0% |

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Case No. 25-S-0741
Steam - Typical Customer Bill Impacts
Rate Year 3 - Shaped

| Service Class | Typical Usage | Total Monthly Bill at Present Rate 11/1/27 | Total Monthly Bill at Proposed Rate 11/1/28 | Change | Total Monthly Bill Percent Change |
|---|---|---|---|---|---|
| SC 1 | Monthly Usage = 100 Mlbs | $9,800 | $10,390 | $590 | 6.0% |
| SC 2 Non Demand | Monthly Usage = 750 Mlbs | 47,437 | 49,625 | 2,188 | 4.6% |
| SC 2 Demand | Monthly Usage = 4,800 Mlbs<br>Peak Demand = 20 Mlbs/hr | 199,261 | 205,162 | 5,901 | 3.0% |
| SC 3 Non Demand | Monthly Usage = 900 Mlbs | 42,446 | 44,467 | 2,021 | 4.8% |
| SC 3 Demand | Monthly Usage = 4,900 Mlbs<br>Peak Demand = 20 Mlbs/hr | 195,571 | 199,653 | 4,082 | 2.1% |