

2025 CECONY Rate Case Technical Conference

March 4, 2025

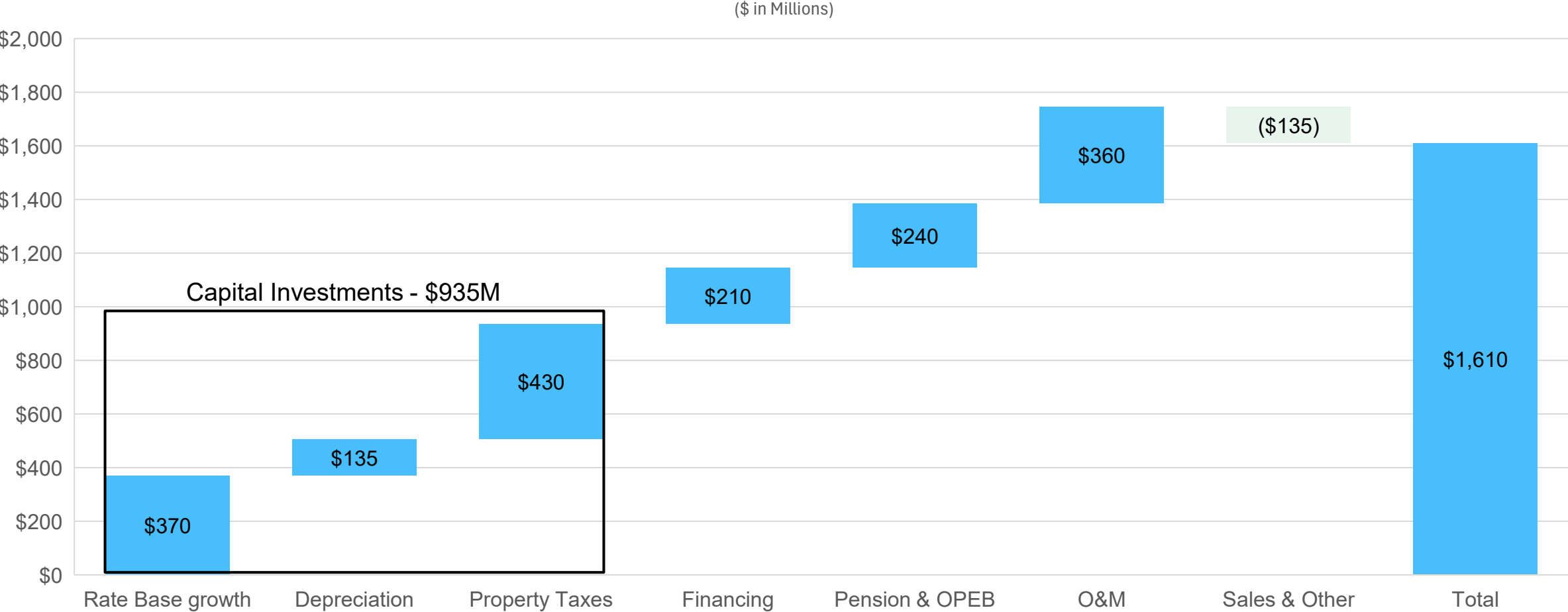


Agenda and Presenters

- Major Cost Drivers and Financial Information – Kelly McLaughlin
- Electric Investments – Stephen Pupek
- Gas Investments – Christine Cummings
- IT Investments – Allisyn Glasser
- Customer Experience Investments – Michael Murphy
- Additional Rate and Tariff Information – William Atzl

Electric Proposed Rate Increase

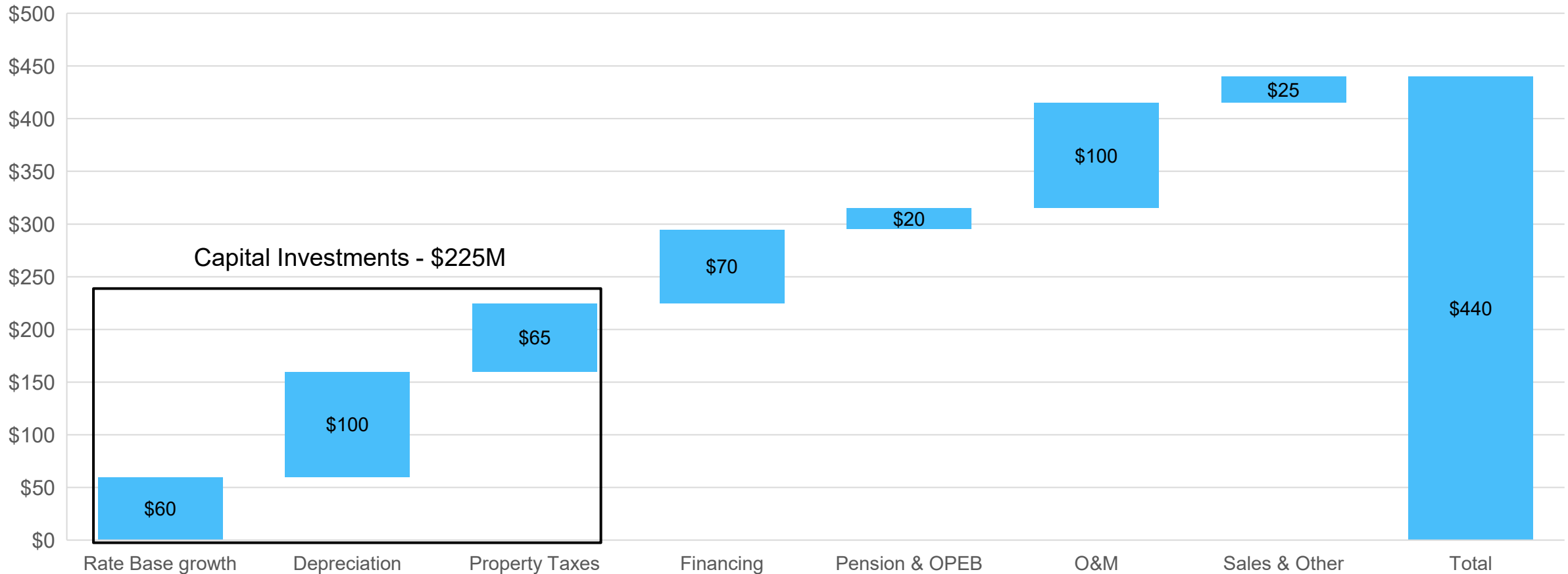
Rate increase of \$1,610 M represents a 11.4% increase in the total bill and a 18.1% increase in delivery. Recovery of and return on capital investments represents 60% of electric revenue requirement.



Gas Proposed Rate Increase

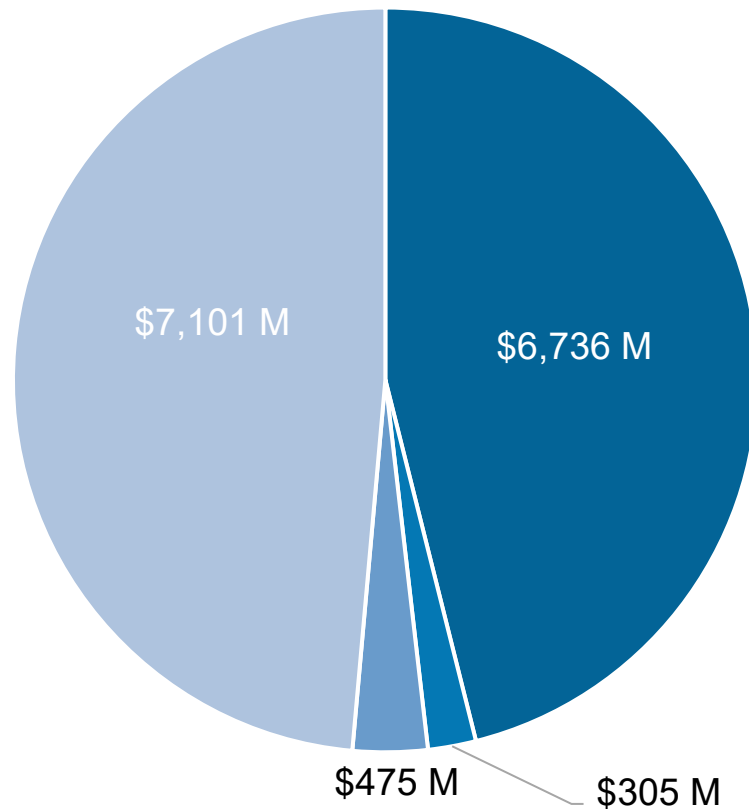
Rate increase of \$440 M represents a 13.3% increase in the total bill and a 18.8% increase in delivery. Recovery of and return on capital investments represents 50% of gas revenue requirement

(\$ in Millions)



CECONY Electric Capital

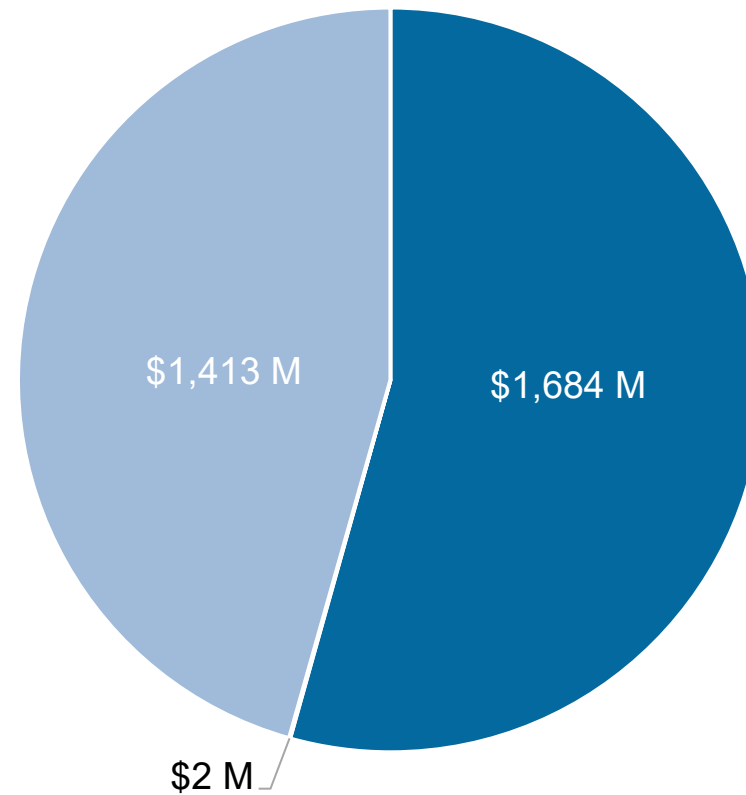
3-Year Total - \$14.6B



■ Core ■ Clean ■ Climate Resilience ■ Multivalued

CECONY Gas Capital

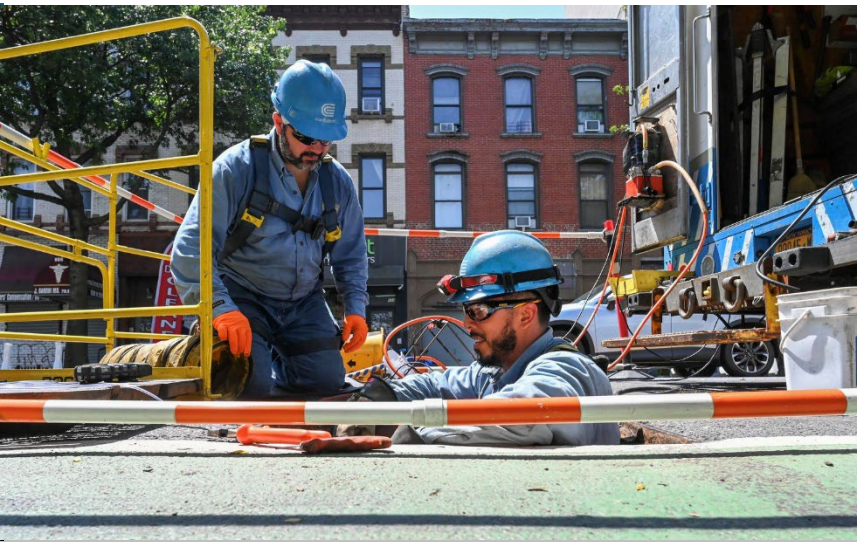
3 Year Total – \$3.1B



■ Core ■ Clean ■ Multivalued

Excludes Common Capital investments of \$3.9B, which were predominantly classified as core investments.

Electric Investments



Preparing the Grid / Maintaining Reliability

The Company is investing to meet rising demands and continue to deliver safe and reliable service

- System Expansion & New Business – address forecasted load changes and new connections on the Company’s electric system.
- Risk Reduction & Reliability – maintain the operation and performance of the electric system through proactive replacement/upgrade strategies.
- Replacement – replace assets that have failed or are reaching the end of their useful lives and cannot be further repaired during regular operation.



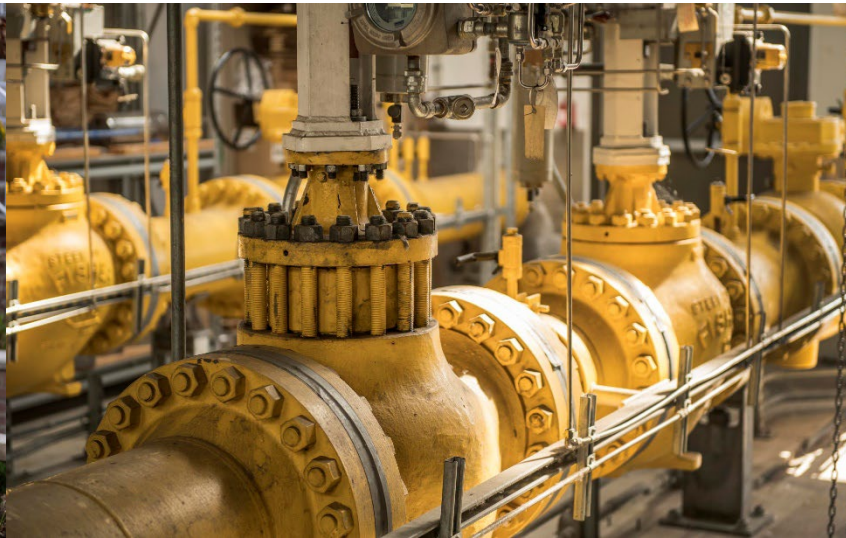
Preparing the Grid / Maintaining Reliability

The Company is investing to meet rising demands and continue to deliver safe and reliable service

- Storm Hardening & Resiliency – mitigate potential electric system damage and customer impacts from severe weather events.
- Equipment Purchases – purchase of necessary equipment such as transformers, network protectors, and switches.
- Environmental – reduce environmental impact and comply with environmental requirements.



Gas Investments



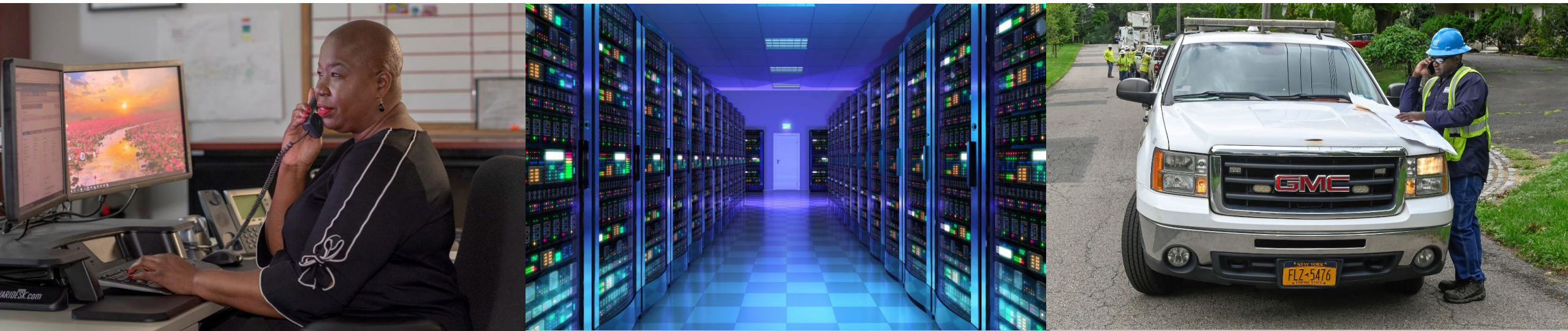
Gas Infrastructure Replacement or Reduction

Replace or eliminate leak-prone gas mains; encourage electrification.

- Program Objective:
 - Remove 80 miles of leak prone pipe from inventory annually
 - Shrink the gas footprint in lieu of replacement
- Key Focus Areas:
 - Small diameter cast iron, wrought iron, and unprotected steel gas mains
 - Top-ranked risk pipes
 - Harder to electrify areas
- Benefits:
 - Enhance safety by mitigating the risk of gas distribution events
 - Reduce methane emissions from main replacement/abandonment



IT Investments



Security, Equipment, Infrastructure & Applications

Upgrade and enhance software, hardware, and infrastructure to boost security, operational excellence, and customer experience, while investing in new technologies to support business goals and objectives.



Cyber & Physical Security

- Defense-in-depth strategy
- Improved network segmentation
- Insider threat prevention



Infrastructure & Applications

- Support and enhance business applications
- Data centers, networks and communications upgrades and operations



Enterprise Data & Analytics

- Data, analytics and artificial intelligence programs
- Governance programs
- Integration platform upgrades

Customer Experience Investments



Expanding our Customer Service Workforce

Hire and train additional field, front-office, and back-office staff to address arrears, support billing needs, and meet service expectations.

Arrears Management

- *Request*
 - Expand field staffing
 - Increase email and text campaigns
- *Objective*
 - Engage customer proactively to resolve arrears sooner
 - Reduce arrears debt and uncollectible bill write-offs that impact all customers

Contact Center Staffing

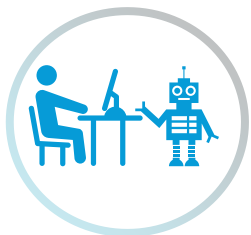
- *Request*
 - Increase staffing capacity
 - Add outbound callers for collections support
 - Enhance training and upskilling
- *Objective*
 - Improve customer experience
 - Maintain service levels while handling increasingly complex customer calls

Meter & Billing Resources

- *Request*
 - Increase field and back-office staffing
 - Establish meter-to-bill quality assurance program
 - Create meter no access and replevin program
 - Dedicate resources to NYPA support and rate consultant inquiry handling
- *Objective*
 - Enhance meter-to-bill issue resolution
 - Reduce billing backlogs

Investing in Capital Programs

Maintain and improve necessary technology programs to enhance our customer service, protect customer data, enable customer participation in the clean energy future, and make it easier for customers to interact with the Company.



Back Office Automation



Billing and Payment Enhancements



Customer Care & Billing Support, Enhancements, and Upgrade



Community Distributed Generation Platform



Contact Center Cloud



Customer Data Sharing



Customer Engagement Platform



Digital Customer Experience



Enterprise Data Privacy Program



Outage & Emergency Outage Communications



Retail Access System Modernization

Supporting Vulnerable Populations

Educate and engage our customers to support their energy choices, including programs that provide direct bill assistance and targeted support to low-income and at-risk customer populations.

Customer Outreach and Education

- *Request*
 - Expand regional outreach and language access
 - Leverage technology for program enrollment
- *Objective*
 - Deepen customer engagement in DACs
 - Tailor outreach to region and customer needs

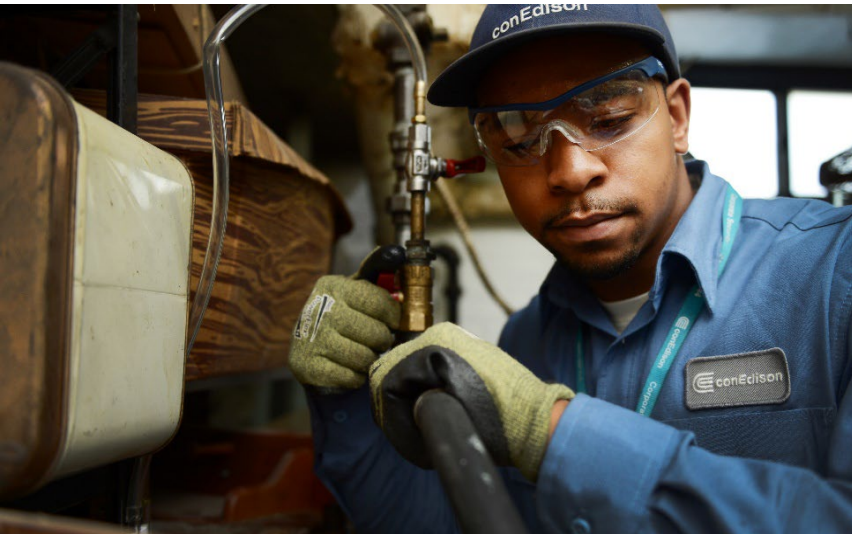
Energy Affordability Program (EAP)

- *Request*
 - Increase self-certification and re-certification resources
 - Implement EAP process improvements
- *Objective*
 - Enroll customers and deliver discounts in a timely manner
 - Remove barriers to enrollment

Affordable Multifamily Electrification Pilot

- *Request*
 - Provide bill credits related to space heating electrification
 - Collect and analyze data to better understand the heating cost shift
- *Objective*
 - Mitigate cost shift implications
 - Support the development of policy solutions

Additional Rate and Tariff Information



Rate Design and Tariff Changes

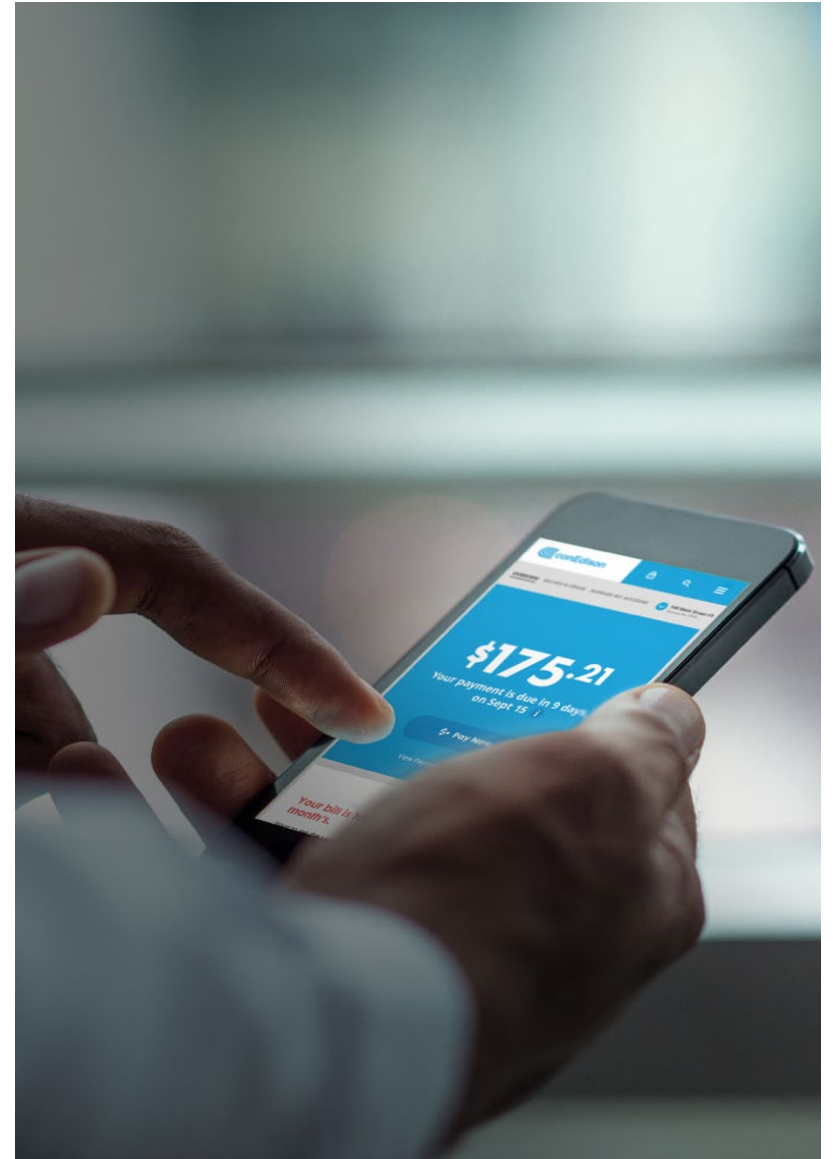
Rate design proposals continue to emphasize cost-based rates while considering customer bill impacts

- Electric:
 - Address interclass subsidies identified in embedded cost of service (ECOS) study
 - Increase customer charges to better reflect customer costs
 - Evaluate high tension/low tension differentials in demand billed classes
 - Evaluate seasonal revenue differentials based on seasonal rate study
 - Apply entire revenue increase to fixed/demand rates in demand billed classes
 - Extend the price guarantee for new electric customers under the Optional Demand-Based Rate (SC 1 Rate IV)
- Gas:
 - Address interclass subsidies identified in ECOS study
 - Increase minimum charges
 - Continue to phase out declining block rates
 - Pursuant to the Joint Proposal in Case 22-G-0065, establish separate gas delivery rates in SC 3 (residential heating) for customers with 1-4 dwelling units / more than 4 dwelling units

Three-Year Projected Rate Increase

\$ in Millions

	Electric	Gas
Rate Year 1: 2026	\$1,610	\$440
Delivery	18.1%	18.8%
Total Bill	11.4%	13.3%
Rate Year 2: 2027	\$930	\$265
Delivery	8.9%	9.6%
Total Bill	5.9%	7.1%
Rate Year 3: 2028	\$880	\$165
Delivery	7.7%	5.4%
Total Bill	5.3%	4.1%
3-Year Levelized Rate Increase	\$1,260	\$335
Delivery	14.2%	14.4%
Total Bill	9.0%	10.2%



Thank You