

August 24, 2021

To: Interim Chair and CEO John B. Howard
Commissioner Diane X. Burman
Commissioner James S. Alesi
Commissioner Tracey A. Edwards
Commissioner Rory M. Christian
Commissioner John B. Maggiore
Commissioner David J. Valesky

CC: Gov. Kathy Hochul
Secretary Michelle L. Phillips

Re: National Grid Upstate Electricity and Gas Rate Increase Request; Cases 20-E-0380 and 20-G-0381

Dear Commissioners:

We write to you today concerning Niagara Mohawk Power Corporation's ("National Grid") application for a \$141.8 million increase in gas and electric rates in its upstate New York service territory and for approval to build tens of millions of dollars of natural gas infrastructure. We respectfully request you to reject National Grid's requested rate increase and proposed new gas infrastructure, which we believe violates the Climate Leadership and Community Protection Act ("CLCPA").

National Grid's proposal would raise rates by almost \$100 per year for the average gas and electric customer at a time when many New Yorkers are already struggling to afford basic necessities. As of March 2021, 243,215 residential and 12,284 non-residential upstate National Grid customers were 60 days or more behind on their bills, owing a total of over \$360 million to the utility. While utility shutoffs are prohibited until 2022, eventually the shutoff moratorium will be lifted, and millions of New Yorkers will be at risk of losing electricity and heat. This proposed rate hike would only add to that crisis.

While families struggle to pay their bills, National Grid continues to make hefty profits. National Grid paid over \$1 billion in dividends to shareholders in 2020. The company also continues to pay its top executives millions of dollars each year; for example, CEO John Pettigrew was paid \$6.8 million in the 2019-20 year (more than \$3,000 per hour). The COVID-19 pandemic has required New Yorkers to make one sacrifice after another. We had hoped National Grid would

demonstrate its commitment to our communities and its customers by making some sacrifices of its own.

Instead, the company has again proposed to raise its already unaffordable rates. The company is asking for higher profits for shareholders this year. After securing a 9% return on equity in their last rate case, the company proposes to raise the return on equity to 9.5%, or 10% if a multi-year rate plan is approved.

This proposal would also invest tens of millions in new fossil fuel infrastructure which would thwart achievement of New York's Climate Leadership and Community Protection Act (CLCPA). The CLCPA mandates that the state achieve net zero emissions by 2050, necessitating an end to most fossil fuel use by that date. In the nearer term, the CLCPA requires a 40% economy-wide reduction in greenhouse gas emissions by 2030, requiring us to take immediate steps to reduce fossil fuels used for heating, hot water, and cooking. Yet, National Grid is proposing gas infrastructure with the assumption that it will be "used and useful" past 2050. We believe these plans are imprudent uses of ratepayer money because they would force customers to pay millions for assets that will inevitably become stranded and worthless.

The CLCPA requires all state agencies, including the Public Service Commission (PSC), to make decisions concerning permits, licenses, and rate proceedings that are consistent with achieving those emission reduction targets. Therefore, instead of approving investments in gas infrastructure, we ask the Public Service Commission to direct National Grid to ensure customers have access to cost-saving and gas-saving energy efficiency measures like weatherization.

In summary, we ask the Public Service Commission to reject this rate hike proposal and deny National Grid's fossil fuel expansion plans. National Grid, an enormously profitable corporation, should forgo a rate increase in this time of crisis. The utility must do more to help customers by providing affordable energy and complying with New York's climate law.

Sincerely,

Senator Rachel May, District 53

Assemblymember Anna Kelles, District 125

School Board Member Jennifer Mecozzi, Buffalo NY (West District)

Councilmember Karen Mejia, City of Newburgh

Councilmember Robin Wilt, Town of Brighton

County Legislator Mary Kuhn, Onondaga County, District 7

Town Councilor Heather Waters, Town of Manlius

County Legislator William Reinhardt, Albany County, District 33

County Legislator Sam Fein, Albany County, District 6

Senator Samra Brouk, District 55

Assemblymember Patrick Burke, District 142
Assemblymember Phil Steck, District 110
Councilmember Richard Conti, Albany County, Ward 6
County Legislator Merton Simpson, Albany County, District 2
County Legislator Rick Touchette, Albany County, District 37
Common Council Majority Leader Ginnie Farrell, Albany County, Ward 13
County Legislator Matthew Miller, Albany County, District 36
Senator Michelle Hinchey, District 46
Assemblymember Pamela Hunter, District 128
County Legislator Lynne Lekakis, Albany County, District 8
Councilmember Owusu Anane, Albany Ward 10
Assemblymember John McDonald, District 108
Assemblymember Patricia Fahy, District 109
Assemblymember Jon D. Rivera, District 149
Councilmember Sonia Frederick, Albany Ward 1
County Legislator Dustin Reidy, Albany County, District 30
County Legislator Alison McClean Lane, Albany County, District 14
Assemblymember and Majority Leader Crystal Peoples-Stokes, District 141
County Legislator Sara Mae Pratt, Schenectady County, District 3
County Legislator Michelle Ostrelich, Schenectady County, District 3
County Legislator Vernon Williams, Jr, Onondaga County, District 16
Common Councilor at Large Michael Greene, City of Syracuse
County Legislator William Kinne, Onondaga County, District 15
Senator Timothy Kennedy, District 63
County Legislator April McCants-Baskin, Erie County, District 2
Assemblymember Marianne Buttenschon, District 119