



Part of the AVANGRID Family

June 29, 2022

2022 NYSEG and RG&E Rate Case Filings

**Case Nos. 22-E-0317
22-G-0318
22-E-0319
22-G-0320**

Purpose: Overview of NYSEG and RG&E Rate Case Filings

Agenda:

1. Filing Overview/Witness Panels/Major Subjects (Charlotte Ancel)
2. Capital Expenditures (Chris Malone/Chris Herrmann/Yvette LaBombard)
3. Electric Operations (Michael Craven)
4. Vegetation Management (William Ransom)
5. Innovation, Smartgrids and Electric Vehicles (Rita King)
6. Gas Operations (Yvette LaBombard)
7. Customer Service (Terri VanBrooker)
8. Energy Efficiency (Erik Robie)
9. Non-Wires Alternative / Non-Pipes Alternatives (Michael DeAngelo)
10. Economic Development (Joseph Rizzo)
11. Revenue Requirements (David George)
12. Revenue Allocation and Rate Design (Mark Marini)

1. Filed New York Rate Cases for all four businesses on May 26, 2022

- | | |
|------------------------|-------------------|
| 1. NYSEG Electric (NE) | 2. NYSEG Gas (NG) |
| 3. RG&E Electric (RE) | 4. RG&E Gas (RG) |

2. Comprehensive Rate Case Filings

- 26 Pieces of Testimony – Index included as a Policy Panel Exhibit

3. Test Year is Calendar 2021

4. Rate Year is: May 1, 2023 – April 30, 2024

- New Rates effective May 1, 2023

5. Filed a One-Year Case

6. Multi-Year Financial Schedules planned to be submitted in July

- **Plan to provide Three-Year Financial Schedules**
 - Rate Year 1: May 1, 2023 – April 30, 2024
 - Rate Year 2: May 1, 2024 – April 30, 2025
 - Rate Year 3: May 1, 2025 – April 30, 2026

1. **Rate Increases will allow for:**
 - **Continue to provide Safe and Reliable Electric and Gas Service**
 - Replace aging infrastructure
 - Reduce tree-related outages
 - **Transition to a Clean Energy Future**
 - **Two-way flow of power to accommodate more DER**
2. **Customers**
 - **Among the Lowest Average Residential Bills – Balance Service and Affordability**
 - **Continue High Quality Customer Service – Improve customer systems**
3. **Important Initiatives and Investments**
 - **Vegetation Management – Continue movement toward 5-year trim cycle at NYSEG**
 - **Resiliency: Continue System Hardening, Automation and Topology**
 - **Gas Safety – continue leak prone main replacement program**
4. **Promote Clean Energy Technologies**
 - **Enable Distributed Generation & Expand DER Penetration**
 - **EVs - DC Fast Charging, Battery Storage and Energy Efficiency Goals**
 - **Innovation and Increased System Electrification**
 - **Support Broad Implementation of CLCPA**

Revenue increases in all businesses are driven by:

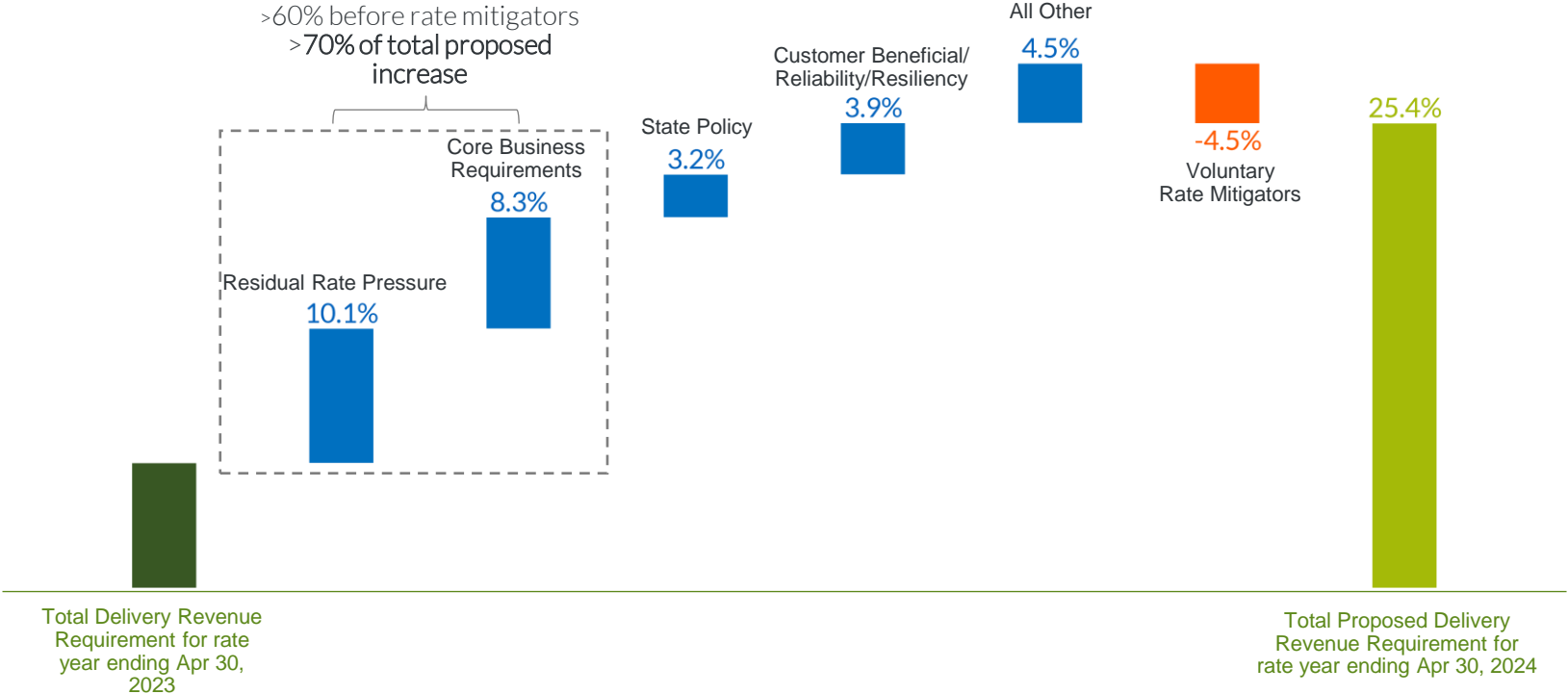
- Residual Rate Pressure
- Meeting Core Business Reqts
- State Policies
- Customer Benefits, Reliability and Resiliency
- Other

Rate Increase Amounts and Revenue Percentages			
Business	Requested Revenue Increase - \$000	Delivery Revenue Percentage	Total Revenue Percentage
NYSEG Electric	273,906	31.2%	16.8%
RG&E Electric	93,795	19.0%	11.3%
NYSEG Gas	43,353	20.7%	9.8%
RG&E Gas	37,663	20.9%	9.7%

Monthly Average Residential Customer Bill Increases		
Business	Monthly Average Bill Increase	Total Bill Percentage
NYSEG Electric	\$ 18.31	22.2%
RG&E Electric	\$ 12.95	15.0%
NYSEG Gas	\$ 14.94	15.6%
RG&E Gas	\$ 9.62	12.8%

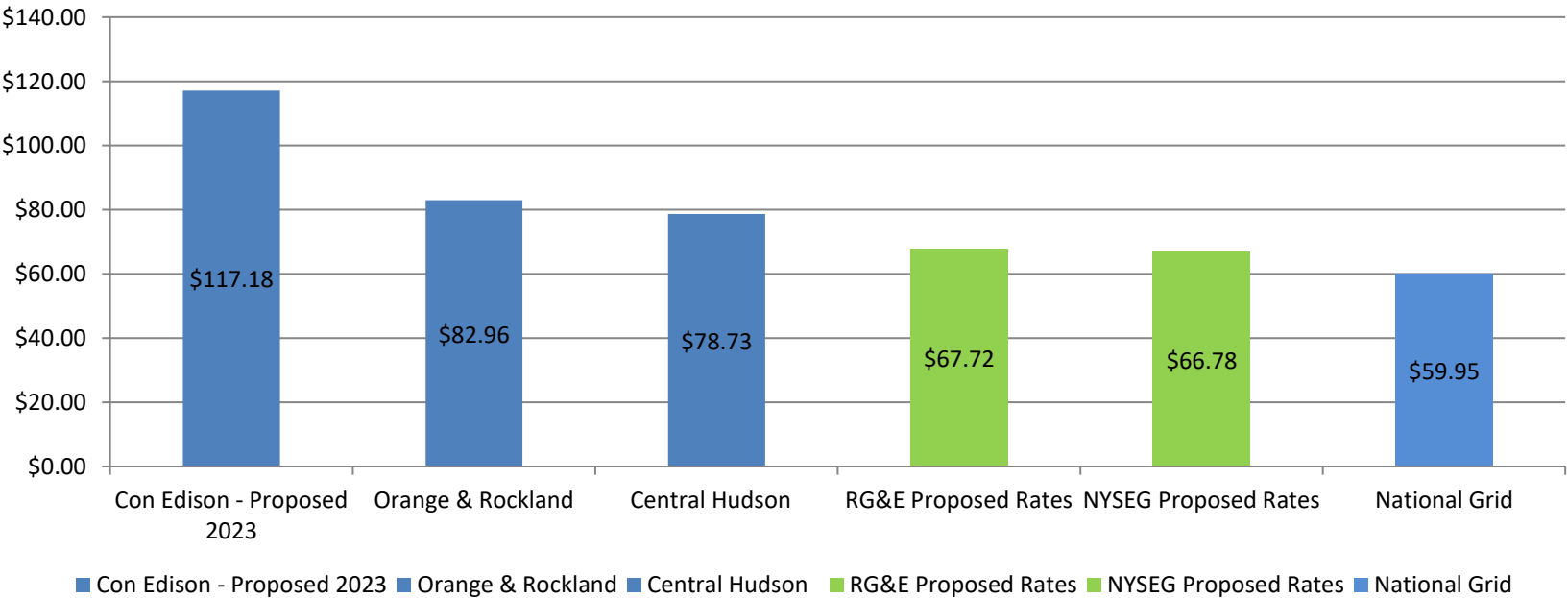
The average residential customer bill increase percentages differ from the revenue increase percentages because of revenue allocation that is guided by cost of service studies and the Companies' proposed rate design

NYSEG and RG&E Rate Cases – Categories of Delivery Rate Increases

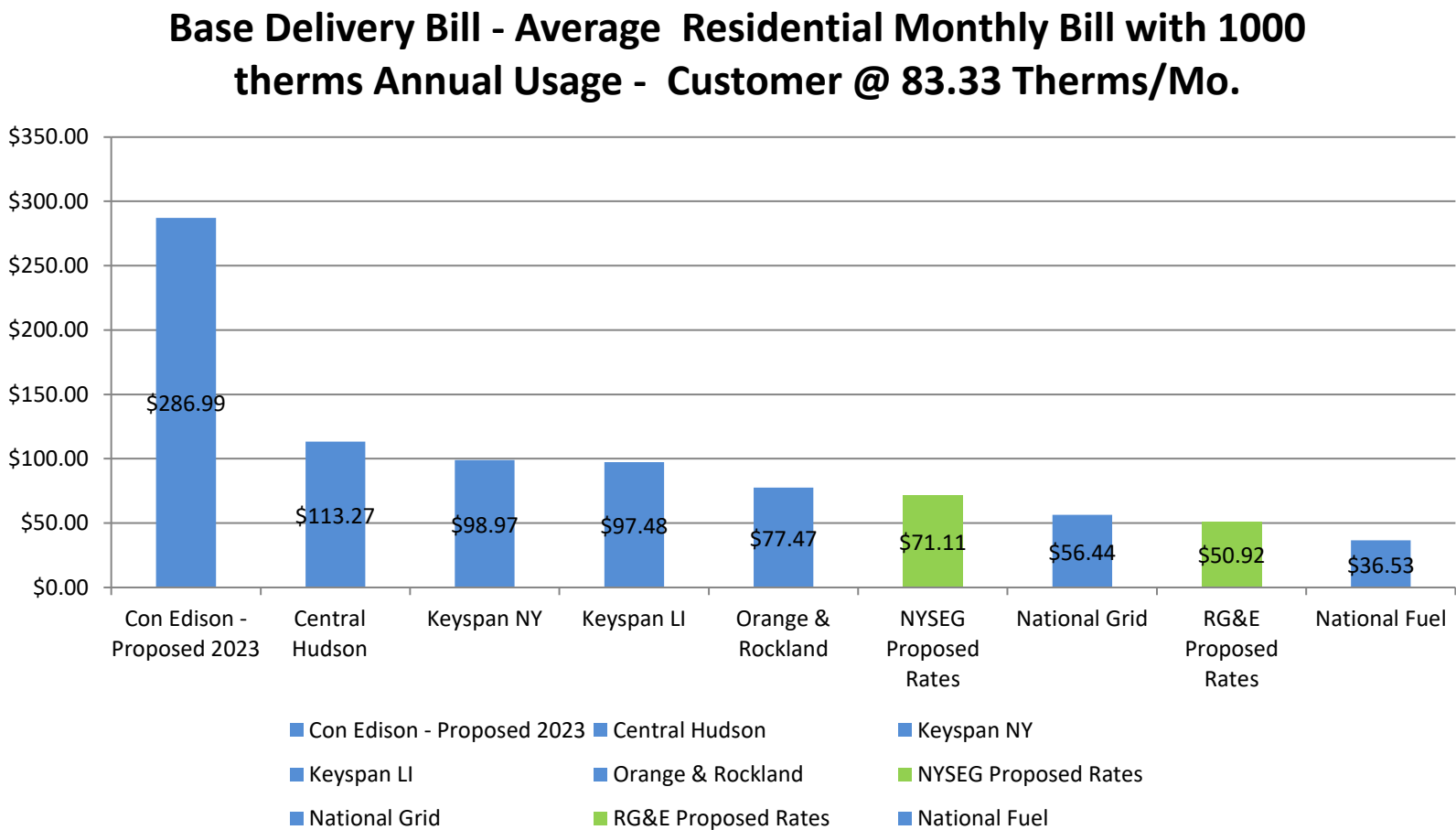


- NYSEG and RG&E have among the Lowest Average Residential Electric Delivery Bills of the major NY utilities after reflecting proposal

Base Delivery Bill - Residential Customer @
600 kWh/Mo.



- NYSEG and RG&E have among the lowest average residential gas



Witness Panels and Major Subjects

- **Policy** – Review of overall case, major policies/themes, NY state policies and objectives, introduction of witness panels
- **Revenue Requirements** – summary of rate request, major drivers, reconciling items including storms, amortizations, depreciation, management audit
- **Vegetation Management** – Transmission and distribution. Move NYSEG to a cycle trim for distribution, including reclamation period.
- **Tax** –Property Taxes, Income Taxes, GRT
- **Workforce** – summarizes workforce projections (+128 FTEs), compensation studies (competitive), incentive plans, retirement/health care benefits

- **ROE/Capital Structure** – 10.2% ROE, 50% Equity Ratio
- **Customer Service** – Metrics, Low Income Programs, evolving the customer experience, energy affordability
- **Deliveries and Revenues** – Forecast of electric and gas customers and volumes (little growth), continuation of RDM (all service class based)
- **Innovation, Smartgrids, and Electric Vehicles** - Innovation process, integrated system planning at distribution level, distributed grid operations. Energy Storage Electric Vehicles (Infrastructure), GMEP, Electric Heat Make Ready
- **Economic Development** – Overall economic development programs, continuation of heat pump pilot program for non-residential, utilization of prior year underspending

- **Electric and Common Capital Expenditures** – Based on 5 Year Plan filed 4/1/2022, includes Distribution, Transmission, Bulk Electric, Hydro Generation, Security, General Services, IT
- **Electric and Gas Supply** – Supply procurement approaches and plans, electric and gas cost incentive mechanisms, hedging approaches, electric interconnection requests
- **Electric Reliability and Operations** – Current and emerging reliability challenges, and additional workforce requirements.
- **Emergency Preparedness** – Department organization and staffing, emergency planning, pre-event preparations, prior event feedback/findings
- **Energy Efficiency** - Latest EE targets including heat pump targets.
- **Gas Capital Expenditures** – Based on 5 Year Plan filed 4/1/2022, leak-prone replacements

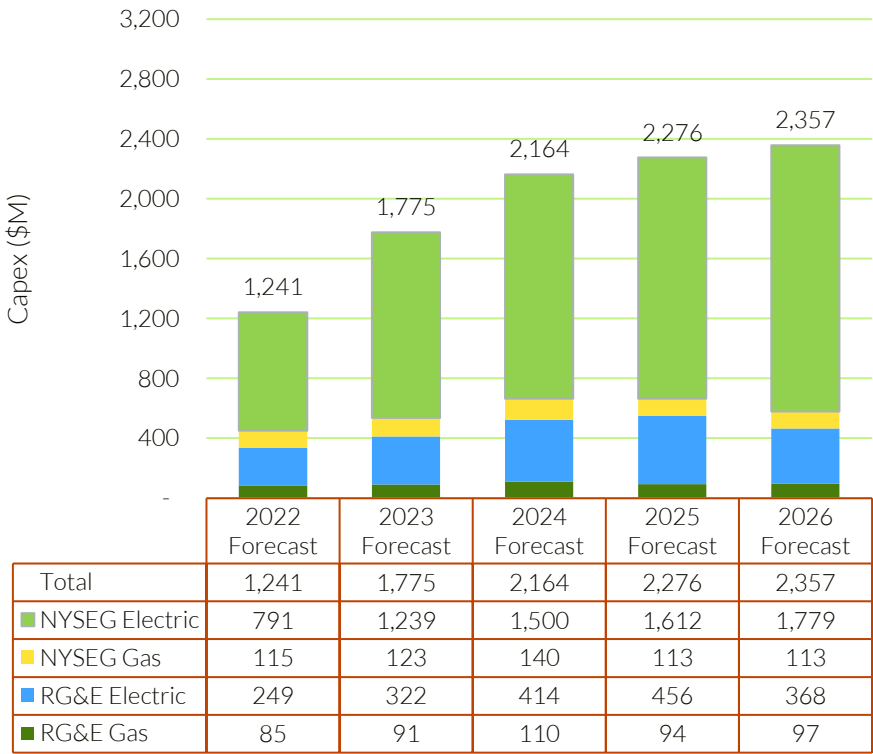
- **Gas Operations** – service quality performance measures, incremental O&M programs, gas vegetation management, R&D, damage prevention vehicles, methane detectors, incremental staffing (Operator Qualification, Regulatory Compliance), this panel includes Hydro Engineering and Hydro Operations
- **Revenue Allocation/Rate Design** – utilization of cost studies, tariffs, revenue allocation, rate design, street lighting, overall bill impacts
- **ECOS** – Embedded Cost of Service studies
- **MCOS** – Marginal Cost of Service studies – Electric, Gas and Street Lighting
- **Earnings Adjustment Mechanism** – Generally consistent with prior rate plan. Purpose and design of EAMs, Company performance under EAMs
- **Non Wires and Non Pipe Alternatives** – Current and planned projects, cost recovery and incentive mechanisms, geothermal pilot project

Electric, Gas and Common Capital Expenditures

Chris Herrmann

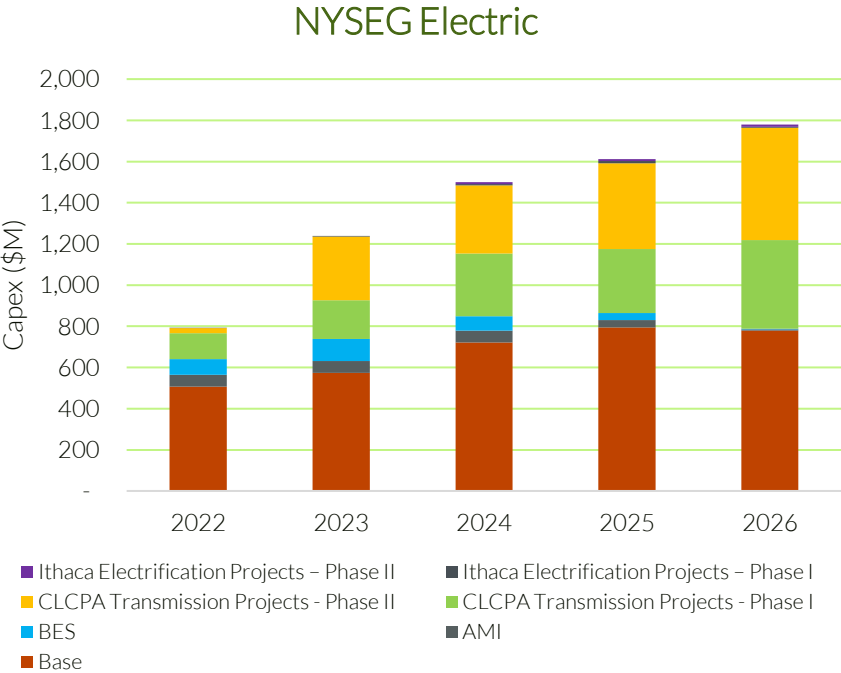
Chris Malone

Yvette LaBombard

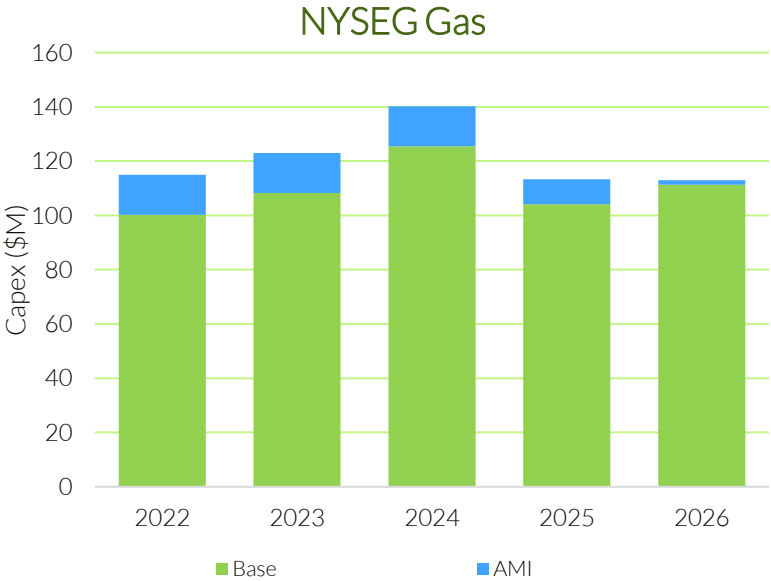


Plan Highlights

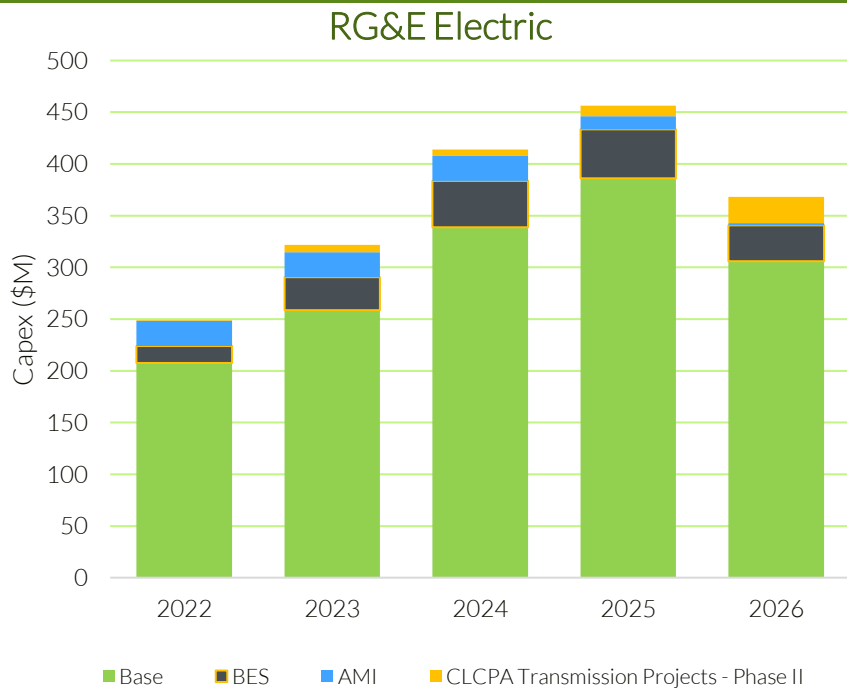
(\$M)	Estimate	
	Rate Year	Five Years
	4/23-3/24	2022-2026
CLCPA	\$551	\$3,036
BES	131	466
AMI	110	408
TLD Replacements	37	261
Leak Prone Main	50	253
Make Ready	45	242
Distribution Line	48	227
Resiliency	48	208
Grid Automation	37	197
Distribution Line Deficiencies	21	146
Ithaca Electrification	7	55



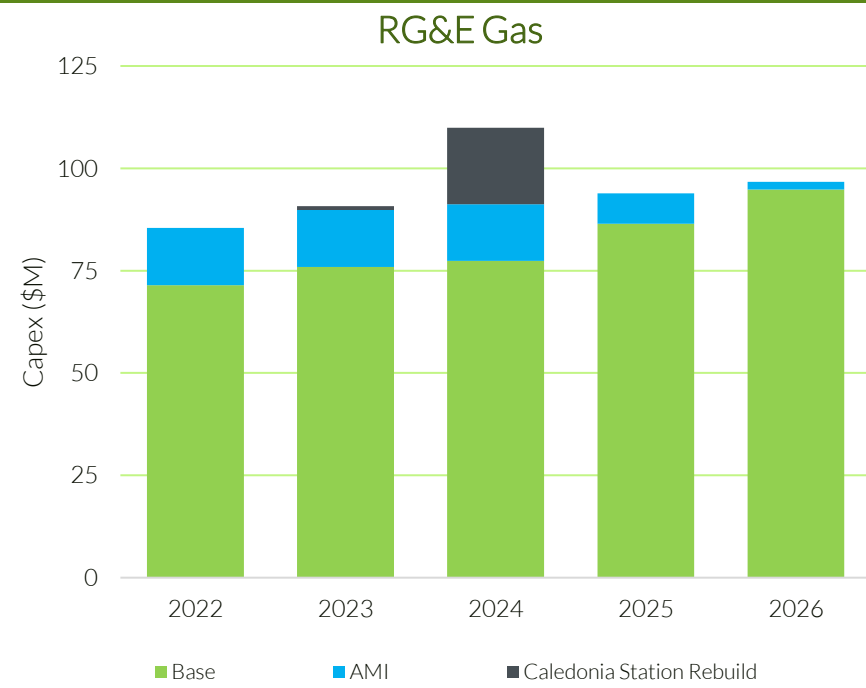
(\$M)	2022	2023	2024	2025	2026
AMI	57	58	58	36	5
BES	76	107	70	34	4
Distribution Line	22	36	38	38	39
Distribution Line Deficiencies	29	17	23	29	36
Make Ready	29	30	30	41	41
DSIP - Grid Automation	29	34	37	37	37
TLD Replacements	15	27	54	72	91
Resiliency	28	42	26	28	28
CLCPA Projects - Phase I	126	188	305	310	429
CLCPA Projects - Phase II	25	310	330	418	545
Ithaca Electrification - Phase I	0	3	6	10	6
Ithaca Electrification - Phase II	0	0	10	10	10



(\$M)	2022	2023	2024	2025	2026
AMI	15	15	15	9	2
Leak Prone Main Replacement	28	29	32	31	32
Regulator Modernization and Automation Program	4	4	5	5	5
Leak Prone Service Replacement	5	7	8	7	8
Distribution Main Replacement	6	4	5	5	5




(\$M)	2022	2023	2024	2025	2026
AMI	24	24	24	13	2
BES	16	32	45	47	35
Distribution Line	7	11	11	12	12
Distribution Line Deficiencies	2	1	2	3	4
Make Ready	2	15	13	20	21
DSIP - Grid Automation	5	2	2	7	7
Resiliency	9	13	9	11	13
CLCPA Projects - Phase II	1	7	6	10	25



(\$M)	2022	2023	2024	2025	2026
AMI	14	14	14	7	2
Leak Prone Main Replacement	19	21	21	20	21
Caledonia Station Rebuild	0	1	19	0	0
Leak Prone Service Replacement	5	4	4	4	4
Regulator Modernization and Automation Program	3	5	7	7	8

Electric Operations

Michael Craven

- The NYSEG and RG&E electric systems deliver safe and reliable service to over 1.2M customers in 240 cities.
 - Since the 2018 rate case, the duration of outages (measured by CAIDI) is within target levels and we continue to prioritize resources toward restoration.
 - The frequency of outages (measured by SAIFI) remains challenging, largely because of growing exposure to tree contacts and aging infrastructure.
 - As the system continues to evolve as the foundation for renewable energy and smartgrid technologies, so are the demands on our skilled personnel.
- 
- A photograph of several high-voltage electrical transmission towers (pylons) stretching into the distance. The scene is set against a dramatic sky at sunset or sunrise, with the sun low on the horizon, creating a strong backlighting effect and silhouetting the towers. The sky is filled with soft, orange and yellow clouds.
- THE FOUR KEY OPERATIONAL THEMES IN THIS RATE CASE ARE:
 1. Ensuring continued operational integrity via additional skilled personnel.
 2. Solving NYSEG's pervasive exposure to tree contacts.
 3. Increasing the emphasis on replacing aging infrastructure at both companies.
 4. Reconciling NYSEG's historic reliability targets with current conditions.

An aging workforce, the increasing complexity of the electric system, and the growing amount of construction, maintenance, and compliance work are placing significant demands on frontline and supervisory personnel.

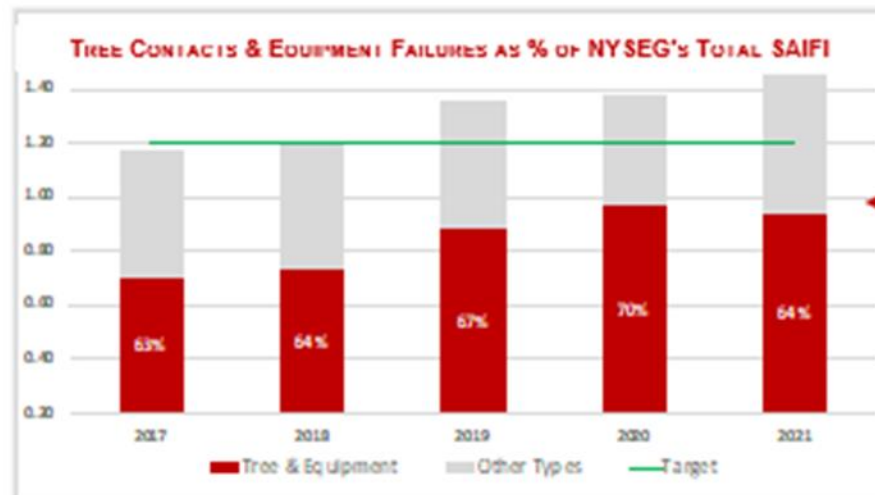


- The Apprentice positions authorized in the last rate case are providing an effective approach to the aging workforce concerns, and our progress here has been good.
- We are requesting 100 additional FTE's to ensure operational integrity in areas vital to system operations, compliance, and customer responsiveness.

	FTEs	Description of critical need for personnel
Compliance & Technology	19	Highly technical work relating to mandatory testing & automated devices
Customer Responsiveness	22	24/7 trouble shooters & line personnel for quick response in remote areas
System Control & Safety	34	Specialized control center operators, frontline supervisors & safety techs
Expansive Workplan	<u>25</u>	System wide construction, maintenance, inspection, and tree work
Total Additional Personnel:	100	76 at NYSEG and 24 at RG&E

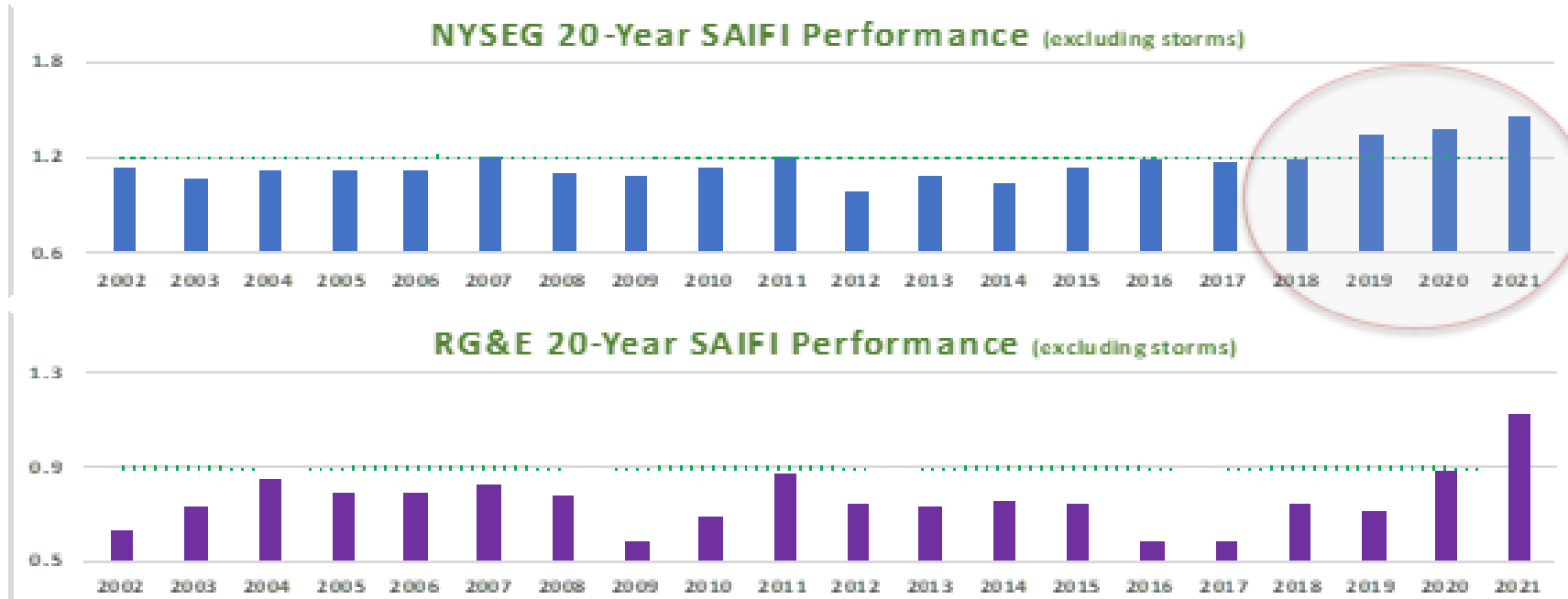
Electric Operations: NYSEG's EXPOSURE TO TREES

- NYSEG has 29,000 miles of overhead distribution
 - *The most rural and heavily treed system in NY*
 - *Trees cause half of the annual outage events*
- Current funding allows only 2/3 of the system to maintain proper tree clearance on a 5-year basis.
- 10,500 miles (36%) of NYSEG's overhead circuits have not been trimmed in *well over 5 years*.
- A 5-year Reclamation Program will stabilize tree exposure for 360,00 customers on these circuits.



- During Reclamation period, tree contacts & aging infrastructure will continue to be a challenge for NYSEG's SAIFI.
- Tree Contacts & Equipment Failures are 2/3 of the total annual SAIFI at NYSEG.
- Prioritizing Reclamation to maximize the near-term SAIFI benefits while also adjusting NYSEG's target is a balanced solution.

For a majority of the past 20 years, the SAIFI performance for both Companies has been stable and has remained within the target levels.



- While both companies have similar exposure to aging infrastructure, NYSEG's unabated tree contacts have exacerbated the impact on its SAIFI, particularly since 2018.
- This situation did not exist to the same extent when the targets were set 20 years ago.

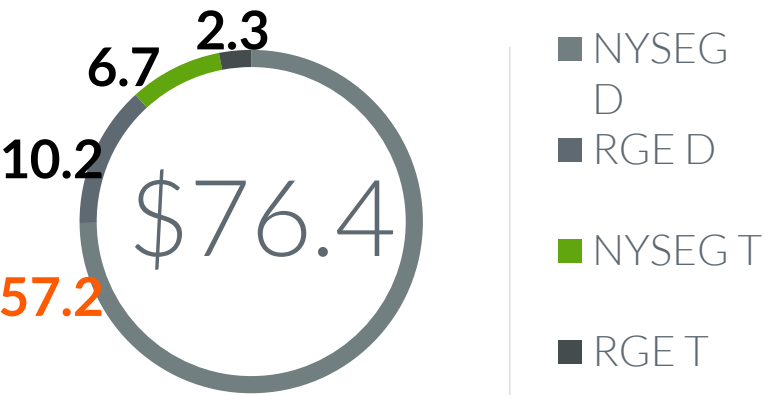
THE FUNDING FOR ASSET REPLACEMENT AND TREE TRIMMING PROGRAMS IS ESSENTIAL TO BEGIN STABILIZING SAIFI AT BOTH COMPANIES.

Vegetation Management

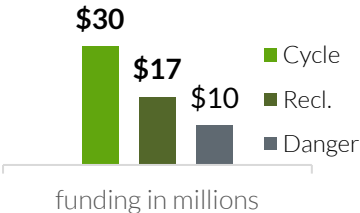
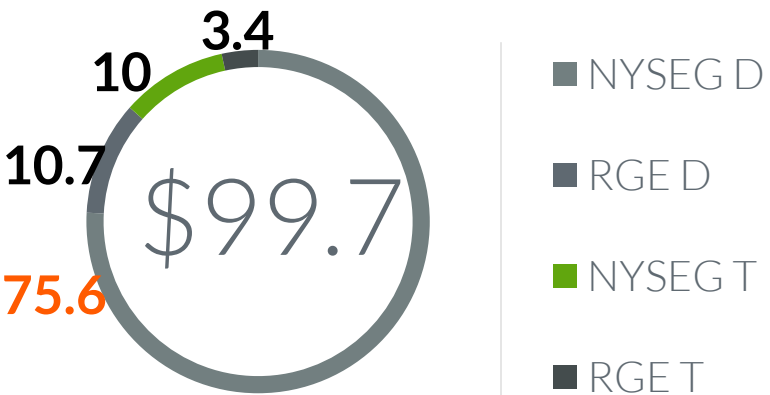
William Ransom

NYSEG D Accounts for 79% of the Proposed Annual Increase in Vegetation Management

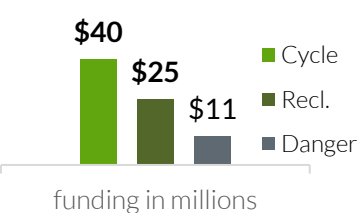
Total Current VM in Rates (in millions)



Total Proposed in Rates (in millions)



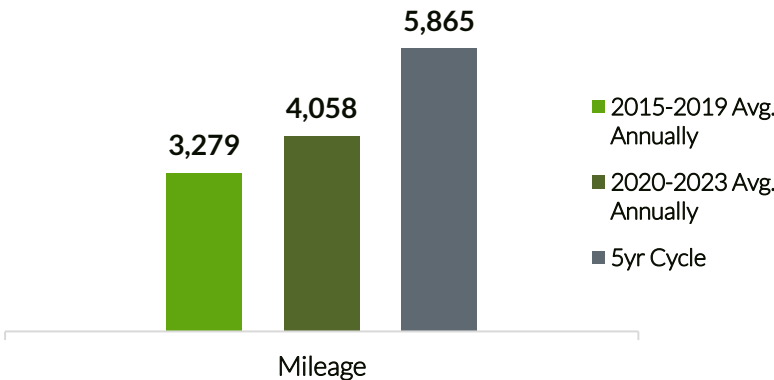
NYSEG DISTRIBUTION
CURRENT VS. PROPOSED FUNDING



NYSEG MILEAGE FUNDING REQUIREMENTS & PROJECTED PRODUCTION

Case 22-E-0317	RATE YEAR					
	1 May 2023 - April 2024	May 2024 - April 2025	May 2025 - April 2026	May 2026 - April 2027	May 2027 - April 2028	May 2028 - April 2029
Mileage Maintenance Required Funding	\$64.8M	\$66.8M	\$68.8M	\$70.8M	\$73.0M	\$61.7M
Cycle Miles	-	-	-	-	-	5,865
Reclamation Miles*	-	-	-	-	-	0
Total Miles	5,865	5,865	5,865	5,865	5,865	5,865

Progressively
Reclaiming the NYSEG
System is Critically
Important to
Improving NYSEG
System Reliability



*It is projected that as of January 2023, over 33% of the NYSEG system will require reclamation.

The Company’s Plan Addresses These Overgrown Circuits

Significant Highlights of the Danger Tree Program (NYSEG/RG&E)

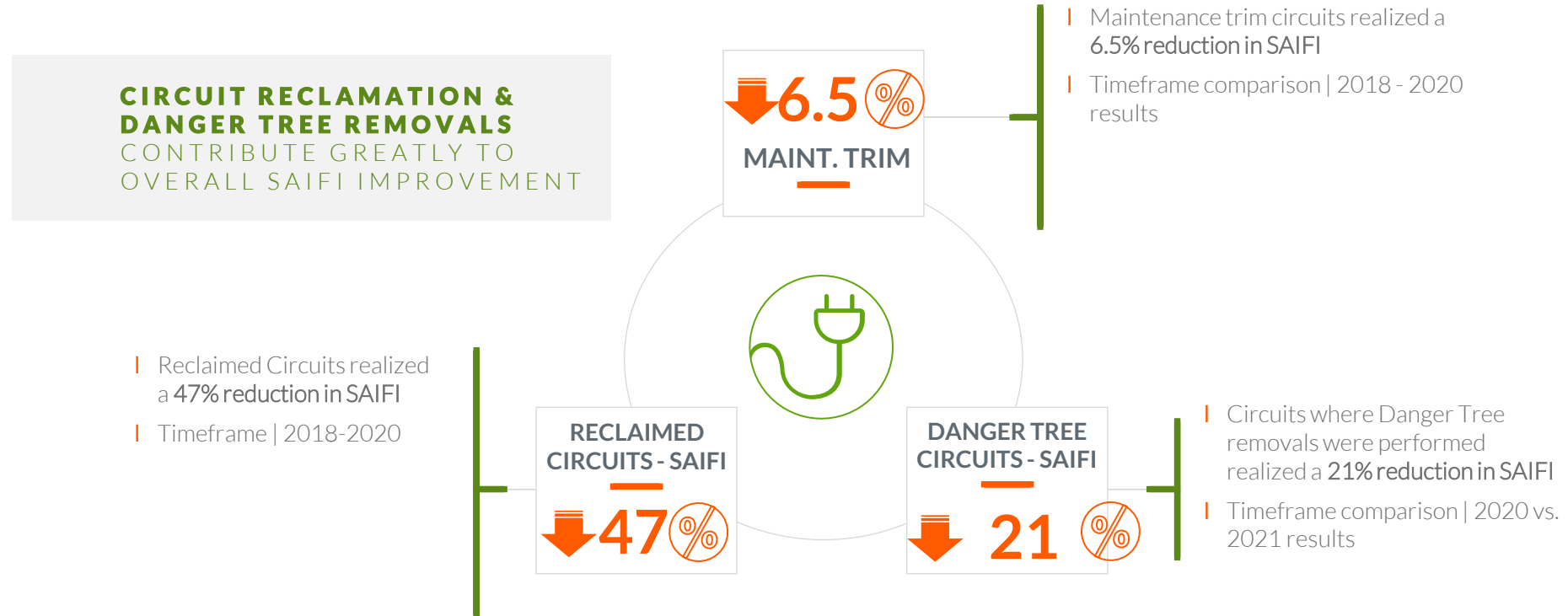
BACKGROUND | In 2015 the Companies identified a need to address decaying and dying trees as separately funded programs. In 2020, the Companies received funding to start NEW Danger Tree Programs at both OPCOs

System surveys indicate approximately 299,000 Ash Trees on the NYSEG/RGE System, many of which are in decline



NYSEG | Dead Ash Trees encroaching

Reliability benefits achieved



ADEQUATE FUNDING IS OF PRIMARY IMPORTANCE IN REALIZING GREATER SAIFI GAINS.

Innovation, Smartgrids, and Electric Vehicles

Rita King

Clean Energy Initiatives to Support State & Customer Clean Energy Goals



1) Electric Vehicle Programs

- Medium & Heavy Duty Make-Ready
- Municipal Curbside Charging
- EV Charging Hub



2) Electric Heat Make-Ready

3) Low-Income Clean Generation Program

4) Energy Storage



5) Innovative Collaborations, Partnerships, and Pilot Projects

- Ithaca Electrification
- Hydrogen Blending pilot
- REV Demonstrations
- Academic and Strategic Partner Collaborations





- 6) Integrated Energy Data Resource (“IEDR”)
- 7) Grid Model Enhancement Project (“GMEP”)
- 8) Distribution System Implementation Plan (“DSIP”)



- CYME Server
- Advanced Load & DER Forecasting
- Interconnection Portal
- Flexible Interconnect
- EPRI Membership

**Proposals Provide Leadership, Required Actions
and Investments to Support Market Transformation required to meet the Climate
Leadership and Community Protection Act (CLCPA)**

Gas Operations

Yvette LaBombard

- Propose to continue levels of OpEx appropriate to maintain safe and reliable service while supporting NYCLCPA Initiatives:
 - Replacement of Leak Prone Piping
 - Significant reduction in YE leak backlog
 - Implementation of clean technologies (RNG, H2)
 - Increase in Hydro incremental maintenance
- Hydro incremental maintenance programs on-going and specific requested incremental maintenance projects
- Movement of some Gas Incremental Maintenance Programs over to Reconcilable Maintenance Programs
- The combined total of Reconcilable and incremental Maintenance programs
 - NYSEG Total for the combined programs \$4.37M
 - RG&E Total for the combined programs is \$4.56M

- Continued and Expanded Emphasis on Integrity Management Programs
 - NYSEG requested increase of \$1.4M
 - RG&E requested increase of \$0.8M
 - Incorporation of PHMSA Mega-Rule requirements
 - Enhance the In-Line Inspection (ILI) Program to improve pipeline condition monitoring
- Increase requested for R&D and Public Awareness/Communications
- Expanded Emphasis on Pipeline Safety
 - Continue the Pipeline Safety Management System (PSMS) journey
 - Continuation of the Residential Methane Detector Program to defined NYSEG and RG&E customers

- Expanded level of staffing requested for Hydro Engineering and Operations
- Expanded level of staffing requested for Gas Engineering and Operations
 - Support and implement regulatory changes and evolving initiatives
 - Maximize workforce competency
 - Mitigate unintended negative consequences by human factors
 - Move from reactive to proactive in detecting and preventing Pipeline Safety issues
 - Performance measures as tools to gauge whether companies sustain and improve a safe and reliable operation
 - Mitigate all non-compliances with pipeline safety regulations

Customer Service

Terri VanBrooker

Our “North Star” is CUSTOMERS FIRST!!

Key Drivers:

- Invest in technology, people and processes to support state energy goals
- Evolve the customer experience so we can meet customers where they are—providing service in the way they choose
- Deliver service safely and reliably to all customers

Supporting State Energy Goals:

- **Support significant growth of CDG installations by investing in resources and automation for billing**
- **Enhance Energy Manager to allow customers to better access to their usage information to make informed energy choices**
- **Convert MV90 meters to AMI meters so largest usage customers can take full advantage of AMI technology**

Customers First

Evolving the Customer Experience:

- **Perform customer journey redesign activities and development to help ensure we meet customer needs/expectations for key interactions**
- **Enhance self-service options**
 - **Improve offerings on nyseg.com and rge.com**
 - **Add mobile first journeys and functionality to our apps**
 - **Roll out webchat for customer interactions**
- **Develop a customer orchestration platform that enables each customer to get a personalized and valuable experience when they interact/transact with us**

Customers First

Deliver service safely and reliably to all customers

- Maintain energy assistance programs and encourage participation
- Provide payment alerts to customers to minimize disconnections for non-payment
- Eliminate gas “soft off” process
- Expand internal call center hours to provide 24 x 7 operations
- Retain internal resources to perform “last chance to pay” visit prior to disconnect for non-payment

Customers First

Energy Efficiency

Erik Robie

Hammad Chaudhry

Area of Focus	Requests / Key Messages
Aligned with State Goals	Energy efficiency and building electrification programs play a key role in achieving New York State's clean energy goals. The programs are aligned to help meet NY's ambitious renewable energy and GHG reduction goals of the Climate Leadership and Community Protection Act ("CLCPA") and the Commission's 2020 NENY order.
Current Programs	The Companies currently offer a portfolio of Energy Efficiency programs which use financial incentives (such as rebates), marketing, and behavioral analysis to encourage our customers to adopt various energy efficiency measures.
New Programs	The Companies proposed to launch 4 new programs 1) Educational Program primarily targeting low-income communities; 2) Retail Outreach also targeting low-income communities; 3) a Midstream Commercial program; and 4) a Commercial Behavioral program.
Staffing	The Companies are requesting four FTEs to administer these new programs and support the workload associated with existing programs.

- Since 2020 NYSEG and RG&E's Energy Efficiency programs reduced nearly 160,000 metric tons of CO2 from the air.
- Over 400,000 customers have directly taken advantage of the programs
- In addition, behavioral programs reached more than 2.6 Million customers



This reduction equates to the removal of 33,000 gasoline-powered passenger vehicles driven for one year



Or the equivalent of 29,600 homes electric use for one year



or over 350,000 barrels of oil not consumed

Residential	Residential Rebates
	Appliance Recycling Program
	Behavioral
	Online Stores: NYSEG Smart Solutions RG&E Smart Solutions
	Sealed Home Insulation and Sealing
Multifamily	Multi-family
Commercial & Industrial	Small Business Direct Install Rebates
	Small Business Customer Choice
	Non-Residential Rebate Program (CIRP)
Statewide Initiatives	NY Clean Heat Statewide Heat Pump Program
	Low-to-Moderate (“LMI”) 1-4 Family Homes Program
	Affordable Multi-Family Energy Efficiency Program (AMEEP)
Demand Response	Smart Savings Rewards
	Commercial System Relief Program

- The Companies currently do not collect in rates the targeted amounts of annual spending identified in the 2020 NENY Order.
- As a reflection of our commitment to energy efficiency and the CLCPA and NENY goals, we have spent significantly more than the amount authorized in base rates during 2020 and 2021.
- To enhance program participation, introduce new programs and mitigate bill impacts the Companies propose the below EE amounts be included in base rates during the rate year.

NYSEG Electric	\$23,991,319
NYSEG Gas	\$4,377,375
RG&E Electric	\$12,316,938
RG&E Gas	\$2,641,654
NYSEG Heat Pump	\$5,251,476
RG&E Heat Pump	\$631,972
Total	*\$49,210,734

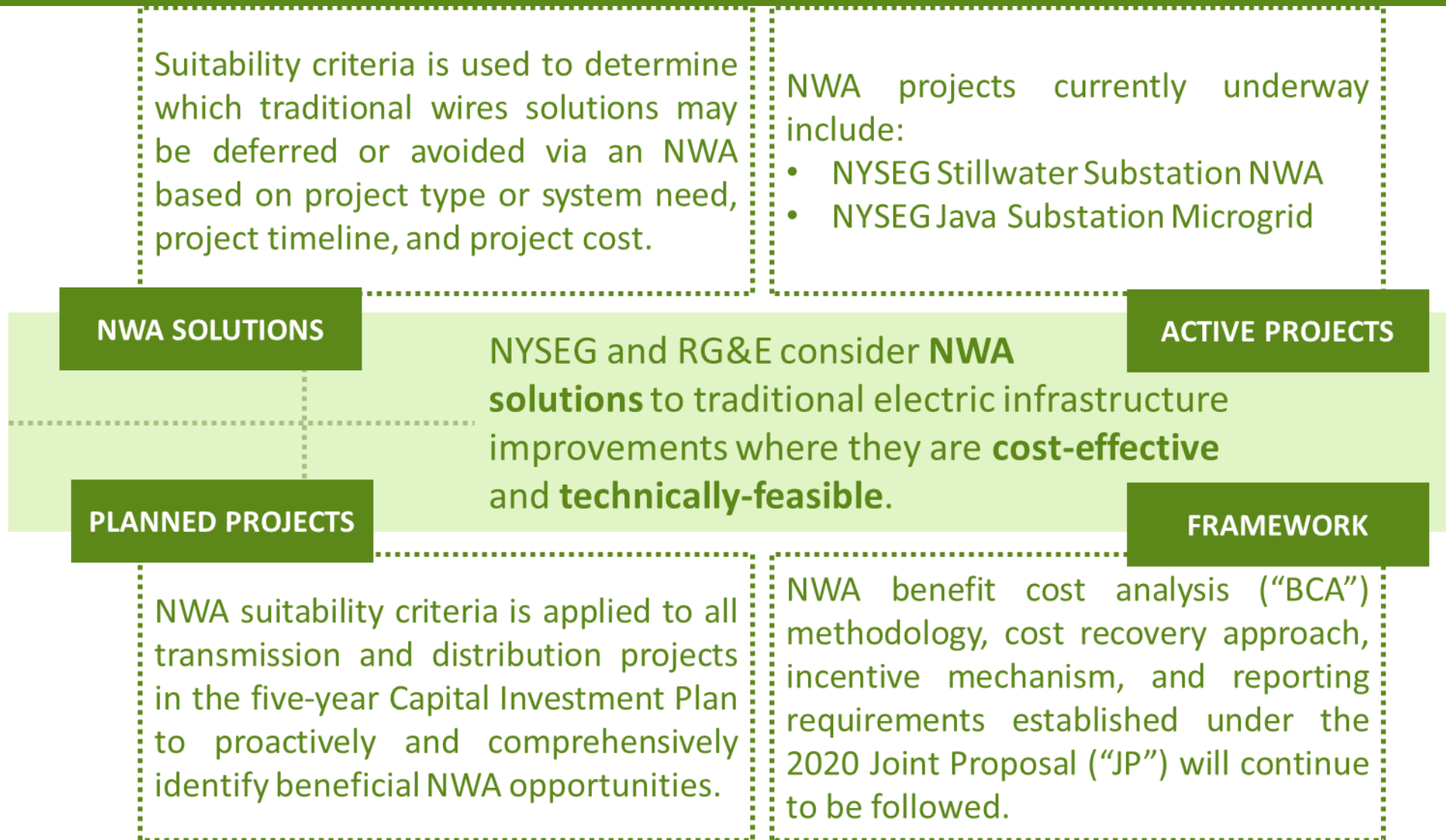
* Note that this proposed spending level is less than the amounts in the NENY Order

Non-Wires Alternatives/Non-Pipes Alternatives

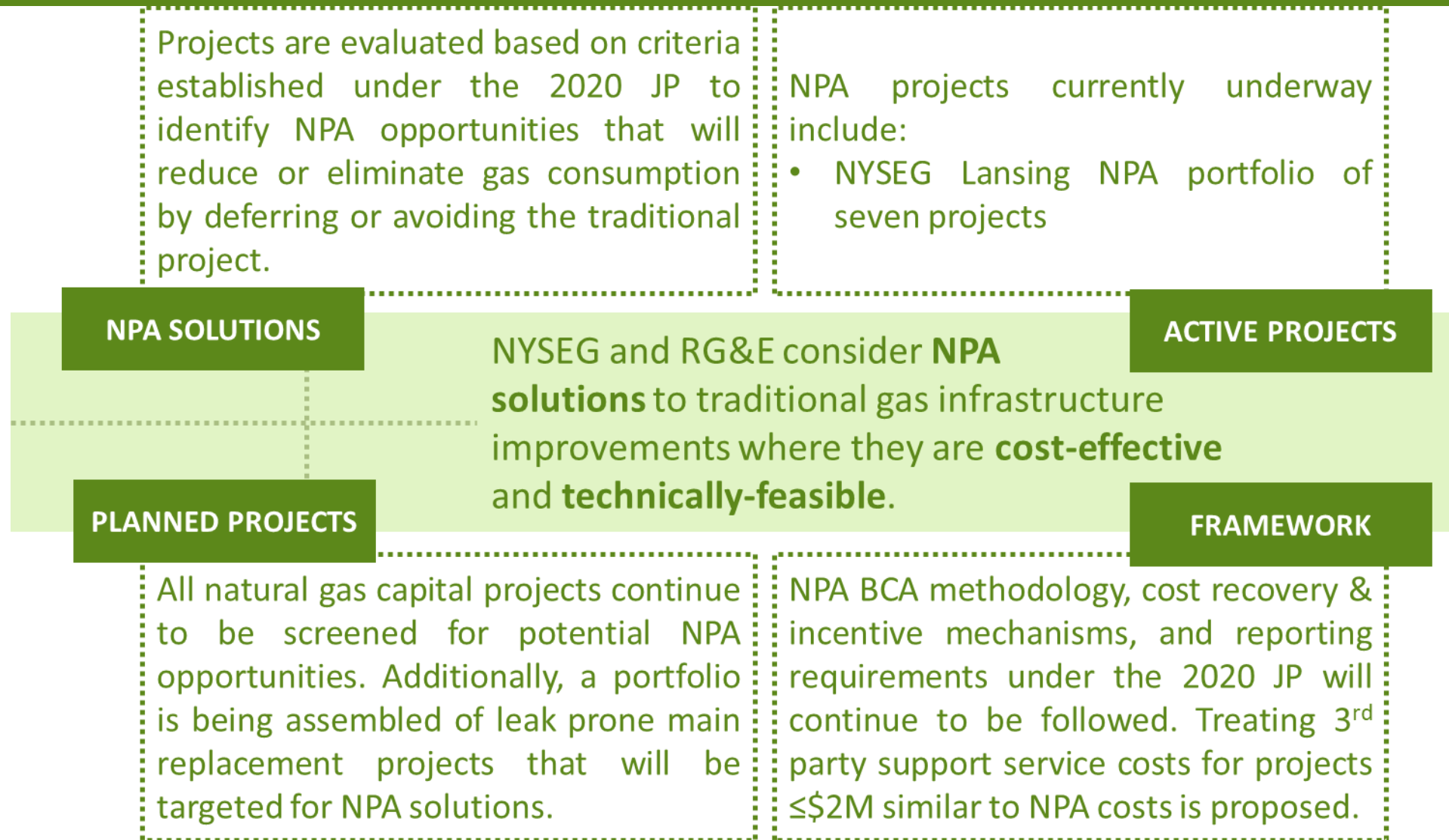
Michael DeAngelo

- Non-Wires Alternatives (“NWA”) and Non-Pipes Alternatives (“NPA”) programs are significant supporters of **improved system resiliency** and **grid decarbonization** and provide important pathways for achieving the **greenhouse gas emissions reduction** targets established by the Climate Leadership and Community Protection Act (“CLCPA”).
- The NWA and NPA programs:
 - Implement innovative solutions to improve system reliability
 - Provide cost-effective approaches on behalf of customers
 - Support advancement of New York’s clean energy and climate goals including those identified in the CLCP
 - Encourage local economic development

Non-Wires Alternatives (“NWA”)



Non-Pipes Alternatives (“NPA”)



NYSEG and RG&E engaged a third-party expert to conduct a GDES feasibility study in four target counties (per the terms of the current Joint Proposal)



A NYSEG-owned and operated GDES is proposed to convert 32 residential and 20 non-residential buildings on a city block in Ithaca from natural gas to high-efficiency geothermal systems – to advance State of NY CLCPA goals

Initial pilot cost \$16M in construction costs

System will provide customers with a **cost-effective clean energy heating and cooling** solution and support New York’s clean energy and climate goals

An **innovative rate structure** will be developed to ensure accurate customer invoicing for the services

NYSEG and RG&E continue to grow their NWA/NPA portfolios and are **preparing for a flurry of NPA activity** as New York continues to move away from fossil fuels.

NYSEG is **executing its first NWA and NPA contracts** with third-party developers which will create a significant body of work as we enter the implementation phase and conduct measurement and verification activities.

Two additional full-time employees (“FTEs”) are required to provide programmatic, technical, and administrative support to advance NWA and NPA efforts as we move towards a clean energy future.



Analyst



Engineer

Economic Development

Joseph Rizzo

- Strategic Partnership and Focus to Advance the CLCPA and Other NYS Policy Objectives
- High Level Overview of Grant Assistance Programs & Continued Delivery Rate Benefits to Support NYS Excelsior Jobs Program
- Economic Development Activity with Community Partners for Successful Outcomes
- Proposing over \$12 million of Economic Development Spend in the Rate Year

Economic Development Highlights – What is Being Proposed

- Continuing our Support for ROC the Riverway redevelopment program along the Genesee River in Rochester, NY
- Ending our Natural Gas Efficiency Infrastructure Investment Program to Support Renewables and Electrification
- With some Enhancements, Continuing to Offer our Non-Residential Geothermal and Air Source Heat Pump Pilot Program
- Closing out our COVID-19 Relief Program for Small (Up to \$15k) and Large Businesses (Up to \$50k)

Revenue Requirement

David George

NYSEG and RG&E – Revenue Requirement Driver Categories



	NYSEG - Electric	NYSEG - Gas	RG&E - Electric	RG&E - Gas	Total
Total Delivery Revenue Requirement - JP RY3 4/30/23	\$ 1,056,586	\$ 235,394	\$ 536,222	\$ 200,208	\$ 2,028,410
Rate Year Total Sales Revenue Before Increase	\$ 879,081	\$ 209,196	\$ 494,852	\$ 180,203	\$ 1,763,332
<i>Residual Rate Pressure (RP) - 2019 Rate Case</i>					
Total - Residual Rate Pressure	\$ 69,422	\$ 19,497	\$ 73,677	\$ 14,988	\$ 177,585
% Delivery Rate Increase (Decrease) - RP	7.9%	9.3%	14.9%	8.3%	10.1%
<i>Meet Core Business Requirements</i>					
Total - Meet Core Business Requirements	\$ 126,229	\$ 4,598	\$ 4,467	\$ 11,666	\$ 146,960
% Delivery Rate Increase (Decrease) - CBR	14.4%	2.2%	0.9%	6.5%	8.3%
Cumulative Rate Increase for RP + CBR	\$ 195,652	\$ 24,095	\$ 78,144	\$ 26,654	\$ 324,545
% Delivery Rate Increase - RP + CBR	22.3%	11.5%	15.8%	14.8%	18.4%
<i>State Policy Driven</i>					
Total - State Policy Driven	\$ 34,826	\$ 12,010	\$ 5,489	\$ 3,932	\$ 56,257
% Delivery Rate Increase State Policy only	4.0%	5.7%	1.1%	2.2%	3.2%
<i>Customer Beneficial / Reliability / Resiliency</i>					
Total - Customer Beneficial / Reliability / Resiliency	\$ 52,592	\$ 2,211	\$ 7,913	\$ 5,379	\$ 68,095
% Delivery Rate Increase ust Benefit only	6.0%	1.1%	1.6%	3.0%	3.9%
<i>All Other Items</i>					
Total - All Other	\$ 54,544	\$ 9,306	\$ 14,781	\$ 7,951	\$ 86,582
% Delivery Rate Increase All Other only	6.2%	4.4%	3.0%	4.4%	4.9%
<i>Voluntary Rate Mitigators</i>					
Total - Voluntary Rate Mitigators	\$ (59,463)	\$ (3,537)	\$ (10,443)	\$ (5,235)	\$ (78,678)
% Delivery Rate Decrease Voluntary Mitigators	-6.76%	-1.69%	-2.11%	-2.91%	-4.46%
Total Rate Increase - RY1	\$ 278,149	\$ 44,087	\$ 95,882	\$ 38,678	\$ 456,796
Total Rate Increase without GRT	\$ 273,906	\$ 43,353	\$ 93,795	\$ 37,663	\$ 448,717
% Delivery Rate Increase - all categories	31.2%	20.7%	19.0%	20.9%	25.4%

Revenue Allocation and Rate Design

Mark Marini

- **Electric and Gas Revenue Allocation**
 - Guided by results of Embedded Cost of Service (ECOS) Studies
 - ECOS Studies conducted by Concentric Energy Advisors
 - Two sets of ECOS results developed for classifying certain distribution system costs as demand-related or customer-related: a) minimum system analysis, and b) 100% demand related
 - Requirement of 2020 Joint Proposal
 - Companies support minimum system analysis results
- **Results of ECOS Studies also used to develop unbundled rates for competitive services**
 - Merchant Function Charges
 - Bill Issuance and Payment Processing Charges

- **Electric and Gas Rate Design**

- Guided by results of Marginal Cost of Service (MCOS) Studies
- MCOS Studies conducted by Energy and Environmental Economics (E3)
- Street Lighting Replacement Cost Studies conducted by E3
 - Requirement of 2020 Joint Proposal
 - Results guide Street Lighting rate design for Company-owned luminaires
- Continue existing customer exemptions from paying energy efficiency costs included in base rates
- Standby Rates set in same manner as current Joint Proposal
 - Comply with March 2022 Orders in Case 15-E-0751 (Value of DER) regarding Standby Rate methodology
 - Address revised Standby Rates in this proceeding in Update or Rebuttal Testimony
 - Propose to include Standby and Buyback Classes in Revenue Decoupling Mechanism and extend applicability of RDM to NYSEG SC 7-4

- **Bill Impacts**
 - **Delivery Only and Total Bill Impacts** calculated for majority of service classes, on a range of monthly usage levels
 - **Source for Bill Impacts**
 - **Electric:** Exhibits RARD-5 and RARD-6
 - **Gas:** Exhibits RARD-10 and RARD-11
- **Tariff Modifications**
 - **Proposed delivery rates, revisions that reflect Testimony, housekeeping changes**