BEFORE THE STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service	))))	**Case 19-E-0065**
Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service	))))	**Case 19-G-0066**

PETITION FOR AUTHORIZATION TO CAPITALIZE, SUBJECT TO COMMISSION REVIEW, INCREMENTAL COSTS TO IMPLEMENT A NEW CUSTOMER SERVICE SYSTEM

Consolidated Edison Company of New York, Inc ("Con Edison" or the "Company") hereby petitions the Commission for approval to continue to capitalize costs to implement its new customer service system (the "New CSS") to the extent those costs exceed the cap established in its current rate plan, subject to further Commission review.

In the Commission's January 16, 2020 Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan, the Commission approved a $421 million cap on Con Edison's capital expenditures for the New CSS, while further providing that Con Edison has the right to petition to recover costs above that amount.[1] The Company currently anticipates that it may incur incremental costs of approximately $75 million above that cap.[2] As explained below,

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1 Cases 19-E-0065 et al., *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan* (issued Jan. 16, 2020), p. 59 ("2020 Rate Order"); *see also* Cases 19-E-0065 et al., *Joint Proposal* (filed Oct. 16, 2019), p. 36 & n.46 ("2019 Joint Proposal"). The same language is in the Joint Proposal filed in the Company's pending rate proceeding. *See* Cases 22-E-0064 et al., *Joint Proposal* (filed Feb. 16, 2023), p. 29 & n.36. The current Joint Proposal further clarifies that the Signatory Parties reserve the right to oppose any such filing by the Company. *Id.* The Company will serve this petition on the parties to both its completed 2019 rate case and its pending 2022 rate case.

2 This estimate includes a standard 15 percent contingency on the costs described in this petition and, in light of the project's complexity, forecasts spending consistent with implementation of the system in October

Con Edison is anticipating these costs mainly because the project's complexity has unexpectedly grown over the last several years, which increased its labor and contract costs and necessitated changes to the schedule and scope of required testing. As also explained below, the Company submits that these costs are justified by its need to prepare for the system to go live with as little disruption as possible.

Without authority to capitalize these costs, Con Edison would have to expense costs that it incurs above the $421 million cap, in accordance with Generally Accepted Accounting Principles. By authorizing Con Edison to treat these costs as capital investments, subject to further review, the Commission would prevent any premature impact on the Company's financial statements.

<u>Granting this Petition will have no immediate impact on customers or customer rates.</u> At this time, Con Edison is not asking the Commission to approve any cost recovery for this project. For example, Con Edison not seeking approval to recover these additional costs through deferral or any other mechanism. Con Edison is also not asking for deferral of any operations and maintenance ("O&M") costs related to the New CSS. Instead, Con Edison asks only for relief from the $421 million capital cost cap so that it can continue to capitalize its project costs for financial accounting purposes, pending further review as the Commission deems appropriate.[3]

While this Petition addresses costs associated with the New CSS, the top priority for Con Edison and Orange and Rockland Utilities, Inc. ("O&R") in developing and implementing the

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2023. While this estimate assumes a one-month change to the project timeline for purposes of forecasting, there has been no change to the Company's plan to implement the New CSS in September 2023. Moreover, this figure is an estimate for informational purposes only, as the Company intends to ultimately seek cost recovery only based on actual spending numbers, which may vary from this estimate.

[3] Although the New CSS project is a joint effort between Con Edison and O&R, O&R is not seeking relief at this time because it is not subject to a cap on its capital costs and so does not have to expense incremental capital costs.

New CSS is to provide customers with a customer service system that addresses changing customer energy needs and can support future changes to energy programs and billing. In making this request, Con Edison is acutely aware of the increased public scrutiny that utilities are facing in implementing or upgrading billing systems, both in New York State and nationally.[4] Con Edison intends for the rollout of this system to be as successful as possible and to avoid issues that other utilities have encountered. Con Edison has already revised the planned "go live" date for the New CSS from May 29, 2023, to September 4, 2023, to allow more time for system testing, including testing its connections with important third parties like energy services companies ("ESCOs"). The Company is also focused on testing how the New CSS handles complex billing arrangements, like those related to community distributed generation ("CDG"), that have reportedly caused problems for other utilities when implementing new billing systems.

Furthermore, Con Edison will not transition to the New CSS until the project satisfies all of the go-live criteria that it has established to mitigate post-implementation issues and potential impacts to customers and other stakeholders. But this intensive effort has resulted in an expected increase in costs relative to budget estimates first filed in 2019. Given the importance of this project, both to the Company and its customers, Con Edison anticipates that, upon receiving further information from the Company with its final capital spending totals, the Commission will ultimately find these costs to be justified. In the meantime, the Company asks the Commission to

[4] *See, e.g.*, Case 22-M-0645, Proceeding on Motion of the Commission Concerning Central Hudson Gas & Electric Corporation's Development and Deployment of Modifications to its Customer Information and Billing System and Resulting Impacts on Billing Accuracy, Timeliness, and Errors, *New York State Department of Public Service Investigation Report* (filed Dec. 15, 2022); Matter Number 23-00068, In the Matter of Staff's Investigation into Billing, Customer Service, and Meter Reading Issues Affecting Customers of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, *Notice Inviting Public Comment and Announcing Public Forums* (issued Jan. 23, 2023). The Company is also aware of allegations of delays or billing errors associated with new or upgraded billing systems at many peer utilities which it assessed for benchmarking purposes, including Southern California Edison, Pacific Gas & Electric, Duke Energy, and Eversource Energy.

support its efforts by allowing Con Edison to capitalize these incremental costs, subject to the review the Commission determines is appropriate.

Background

Con Edison's and O&R's Legacy Customer Service Systems

The New CSS project is one of the largest information technology investments in the histories of Con Edison and O&R. When deployed, the New CSS will replace Con Edison's legacy Customer Information System, which is 51 years old, and O&R's legacy Customer Information Management System, which is 25 years old. These systems are responsible for several of Con Edison's and O&R's most critical customer service functions, including billing, collections, and account management. As such, they affect how Con Edison and O&R serve every electric and gas customer in their service territories and their ability to implement new innovative rates and programs.

As computing technology, regulatory requirements, rate complexity, and customer expectations have advanced over the decades, Con Edison and O&R maintained and updated their systems to serve customers' needs and comply with new regulations, such as for mandatory hourly pricing and low-income programs. Both customer service systems are now past the end of their useful life and must be replaced for Con Edison and O&R to continue meeting current and future requirements. This need is particularly urgent with respect to clean distributed energy resources and other complex billing arrangements that will become more common and more complex as Con Edison and O&R help usher in the State's clean-energy future.

Commission Approval of Con Edison and O&R's New Customer Service System

Planning for the New CSS project goes back more than a decade, though no planning process—no matter how thorough—could have anticipated every contingency. In that time, Con Edison has also learned from other utilities' experiences implementing new billing systems.

The Company's process began in 2011, when Con Edison started a program to identify and mitigate the major risks associated with operating its legacy system. In Con Edison's 2013 rate case, the Commission approved a Joint Proposal under which Con Edison agreed to develop a plan to replace its aging system.[5] To comply with the Commission's rate order, Con Edison filed its Customer Information System Plan Final Report with the Commission at the end of 2014.[6] As discussed in that report, a cross-functional team of business and technical operations leads, subject matter experts, and consultants recommended from among several potential alternatives that the Company implement a commercial off-the-shelf customer information system.[7] The report concluded that this would be "the most efficient long-term solution to maintaining the Company's customer care and billing functions."[8]

The Commission required Con Edison to implement this recommendation as part of its next rate plan. The Joint Proposal in the Company's 2016 rate case obligated the Company to "begin to implement its plan to replace its current Customer Service System ('CSS'), a suite of systems that support customer service and billing functions, with a new commercial off-the-shelf

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5 Cases 13-E-0030 et al., *Order Approving Electric, Gas and Steam Rate Plans in Accord with Joint Proposal* (issued Feb. 21, 2014), pp. 38-39; *see also* Cases 13-E-0030 et al., *Joint Proposal* (filed Dec. 31, 2013), p. 122.

6 Cases 13-E-0030 et al., *Customer Information System Plan Final Report* (filed Dec. 31, 2014).

7 *Id.* p. 4.

8 *Id.*

system," starting in 2018.[9] The Joint Proposal further established the broad outlines of a project schedule culminating in "anticipated deployment in 2023."[10] In adopting the Joint Proposal, the Commission observed that "[t]he existing system is over 40 years old" and that "the Company has great difficulty and significant expense in maintaining the existing system."[11]

After the Commission entered this rate order, and in accordance with recommendations from NorthStar's 2016 Management Audit, Con Edison and O&R "agreed to explore the potential synergies, cost savings, and operational benefits" of jointly developing a new system to replace both of their legacy systems. Con Edison and O&R management ultimately concluded that it would be beneficial to all customers to move forward on the project together. The Joint Proposal in O&R's 2018 rate case provided that O&R would proceed with Con Edison "to develop and implement jointly a new CSS."[12] It further included in O&R's electric and gas O&M expenses certain amounts to support that work, subject to refund if Con Edison ceased implementation of the New CSS project.[13] The Commission adopted this Joint Proposal.[14]

Con Edison filed the business plan in January 2019, at the start of its 2019 rate case. In that plan, Con Edison and O&R disclosed that, from the commercially available options, they intended to adopt Oracle's Customer Care and Billing ("CC&B") system for several reasons, including its wide adoption by other utilities, Con Edison's and O&R's use of Oracle solutions for other back office and corporate functions, Con Edison employees' familiarity with the CC&B

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9 Cases 16-E-0060 et al., *Joint Proposal* (filed Sept. 20, 2016), p. 89.

10 *Id.* p. 90.

11 Cases 16-E-0060 et al., *Order Approving Electric and Gas Rate Plans* (issued Jan. 25, 2017), pp. 85-86.

12 Cases 18-E-0067 et al., *Joint Proposal* (filed Nov. 9, 2018), p. 9.

13 *Id.* pp. 9-10, 13-14.

14 Cases 18-E-0067 et al., *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans* (issued Mar. 14, 2019), p. 108.

system, and the system's ability to handle complex billing arrangements.[15] The Company's business plan discussed the complexity and risks associated with the project, including that it would require rebuilding or subsuming more than 300 interfaces with other legacy systems.[16] It forecast total capital spending of $455 million, attributing $421 million of that total to Con Edison and $34 million to O&R; and total O&M spending of $50 million, attributing $46 million to Con Edison and $4 million to O&R.[17] The capital cost forecast included $37.9 million of contingency, calculated as 15 percent of certain items of capital spending, such as labor, travel, and labor overheads, without any contingency for hardware and software subject to contracts.[18]

Considering both the customer benefits and the project costs, the business plan concluded that the New CSS would deliver significant value for customers. Apart from the project's substantial non-financial benefits,[19] the Company forecast that from 2018 to 2040, the project would deliver $530 million in cost reduction, mostly from lower labor and maintenance costs, and $728 million in cost avoidance, mostly from lower future capital spending.[20] Based on these forecasts, the business plan concluded that the New CSS project would pay for itself more than twice over.

The Commission approved these spending plans in its rate order in Con Edison's 2019 rate case. The Joint Proposal provided that Con Edison's implementation of New CSS would be

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15 Cases 19-E-0065 and 19-G-0066, *Customer Service System Business Plan* (filed Jan. 31, 2019) ("New CSS Business Plan"), p. 30.

16 *Id.* p. 12.

17 *Id.* p. 21.

18 Cases 19-E-0065 et al., *Consolidated Edison Company of New York, Inc. Customer Energy Solutions Update and Rebuttal Testimony* (filed June 14, 2019), pp. 165-68.

19 *See* New CSS Business Plan, pp. 24-25.

20 *Id.* pp. 25-27.

subject to a cap on capital expenditures of $421 million.[21] Nevertheless, recognizing that this was only a forecast, the Joint Proposal further provided that "[i]f the Company exceeds the CSS cost cap, it may petition for additional cost recovery."[22] In approving the Joint Proposal, the Commission acknowledged the Company's agreement to Staff's proposal for a cap but observed that the cap applied only to Con Edison's share of those costs.[23] The Commission included funding for O&R's portion of the project's capital and O&M costs in its most recent rate plan but did not impose a similar cap on O&R's capital expenditures.[24]

Con Edison and O&R's Implementation of Their New Customer Service System Business Plan

Since the Commission approved the Joint Proposal in Con Edison's 2019 rate case, Con Edison and O&R have progressed most of the way through the project's key phases: designing the system in 2020 and early 2021, building the system in 2021 and 2022, system testing beginning in late 2021, and user training starting in October 2022.

Much of this work has focused on building a modern, flexible platform to support a myriad of Company activities, including billing, payments, credit and collections, call centers, and administering CDG programs. This effort has required integrating Oracle's off-the-shelf program with hundreds of internal and external-facing systems. These systems include the Company's:

- Meter Data Management System, which collects, stores, analyzes, and transmits customer usage and other data received from Advanced Metering Infrastructure ("AMI") electric meters, AMI gas modules, and AMI network devices;

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21 2019 Joint Proposal, p. 36. The Joint Proposal also required the Company to meet with stakeholders regarding the project's technical features and requirements and to report at first biannually, and then quarterly, on its progress. *Id.* p. 36 & Appendix 26.

22 *Id.* p. 36 n.46.

23 2020 Rate Order, p. 43 & n.59.

24 *See generally* Cases 21-G-0073 et al., *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans, with Additional Requirements* (issued Apr. 14, 2022).

- Outage Management System, which manages outage response for all electric service outages;

- Oracle E-Business Suite, which includes financial and supply chain modules to support Con Edison's and O&R's Finance, Project Accounting, and Cost Management groups;

- Public Assistance Central, the application used by the New York City Human Resources Administration ("HRA"), the Westchester County Department of Social Services, and Con Edison's Customer Operations group to administer low-income programs;

- Digital Customer Experience, the suite of mobile and web applications for both Con Edison and O&R customers to engage in account self-service;

- Interactive Voice Response, the self-service automated voice- or touchtone-activated system for customers contacting Con Edison or O&R by telephone;

- Retail Access Systems, which manage ESCO transactions for customers who choose their own energy suppliers; and

- Street Light Portal, which allows New York City and other municipalities to manage public street lights.

The new system must also integrate with numerous third-party systems, including those operated by the New York Power Authority ("NYPA"), the New York City Department of Citywide Administrative Services ("DCAS"), and Con Edison's and O&R's bill print vendor, credit and debit card payment processor, and banks. In all, the new system's implementation team must manage more than 1,400 different processes, including reports, integrations, data conversions, and system extensions.

To validate that the new system will function properly, Con Edison and O&R are currently engaged in extensive testing of the new system. These tests include:

- System testing, to validate that all configurations and customizations work as expected, which requires evaluating 11,000 distinct test cases;

- System integration testing, to validate the interfaces between the new system and other systems and that business processes that involve interaction between the new system and other systems work as intended, with 10,000 distinct test cases;

- User acceptance testing, in which internal and third-party business users validate that high-frequency and high-priority business processes and reports work as intended, with 3,000 distinct test cases;
- Parallel billing testing, to validate billing calculations by comparing test bills for an entire month to bills produced in the legacy systems, with more than four million accounts;
- Regression/end-to-end testing, in which the Company re-executes select test cases to identify any inadvertent impacts to previously validated functionality through simulation of interconnected user scenarios, with 800 distinct test cases; and
- Performance testing, to test the CC&B and Oracle User Analytics application and infrastructure.

This phased testing approach incorporates testing of complex and estimated billing, including for customers participating in CDG and Value of Distributed Energy Resources programs; integrated systems, including the Company's website and financial systems; and ESCOs and other third parties (e.g., NYPA, HRA, and the New York State Energy Research and Development Authority). To allow adequate time for this testing, Con Edison and O&R have recently pushed back the go-live date for the New CSS from May 29, 2023, to September 4, 2023. Con Edison and O&R are also in the process of training more than 2,400 internal and external end users on the new system.

Increased Costs Associated with Con Edison's New Customer Service System

Con Edison has worked hard to stay under the Commission's cap on capital expenditures, but its costs have been higher than anticipated because of project changes that became essential before implementation that the Company could not have reasonably foreseen. Through the first quarter of 2023, Con Edison has not yet reached the $421 million cap, but it is approaching the level at which it would have to expense further capital costs:

Capital Spending Through Q1 2023 (in thousands)[25]			
	Actual Spending	Total Budget	Balance Remaining
Con Edison	$384,927	$421,000	$36,073
O&R	$30,056	$34,000	$3,944
Total	$414,983	$455,000	$40,017

There are two primary drivers for these higher costs. First, the complexity of work increased, which increased the project's labor and contract costs, expanded the scope of necessary testing, and required additional time to complete that testing. Second, the Company has received feedback through ongoing benchmarking on the best practice of resolving customer billing exceptions that prevent automated generation of a bill before the new system goes live.[26]

Increased Complexity of Work and More Time for Required Testing

The main driver of the Company's increased costs is that the project's complexity and the scope of testing increased as the Company and its vendors completed the detailed technical work required for a project of this magnitude. In addition, business and regulatory changes that occurred after the Company developed its original budget forecast also resulted in increased complexity and testing requirements. These changes to the project increased Con Edison's internal and contract labor costs and led the Company to change the project's planned go-live date, which further increased the project budget, as described more fully below. The Company currently forecasts that the increased complexity of work and the need for additional testing (and time in which to complete that testing) will increase the project's capital costs by approximately $50 million.

Much of the increased cost was for the technically complex work of customizing the baseline Oracle Customer Care & Billing system for Con Edison's and O&R's needs and

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[25] Cases 19-E-0065 et al., *CSS Implementation Status Report* (filed Apr. 18, 2023), p. 4.

[26] While certain of the costs discussed herein are apportioned between Con Edison and O&R, this petition will discuss only those amounts for which Con Edison is responsible.

integrating it with the two companies' existing systems. For example, the original scope of work anticipated that the system would need 522 system integrations with approximately 140 internal systems—like those for payment processing and meter data management—as well as third parties like NYPA, DCAS, and ESCOs. These integrations require the New CSS to perform complex series of information exchanges with other platforms. Despite the Company's initial planning, Con Edison found as the project progressed that it needed more integrations to complete the required functions of the system. As of January 1, 2023, the actual number of integrations stood at 686, an increase of 31 percent. Likewise, the original scope of work for New CSS included building 178 extensions, which add functionality not included in the original code in Oracle's off-the-shelf system, such as for New York's rules regarding customer payment agreements. Due to changes that arose after the project was first budgeted, the New CSS has required 380 extensions, an increase of 113 percent.

Con Edison could not have reasonably foreseen the need for these integrations and extensions during the planning stage, but they became necessary later after being identified during the detailed review of technical changes required to meet regulatory and customer needs. In addition, Con Edison identified additional integrations and extensions as a result of evolving business and regulatory changes that were not required until work on the system had started. For example, as more customers fell into arrears during and after the Covid-19 pandemic, there were changes to the process for offering customers in arrears the ability to pay off past due balances through deferred payment agreements. Also, the Commission ordered utilities to implement net crediting as a consolidated billing option for all CDG projects, both existing and new, late in 2019. The Company had to incorporate these changes, and others, into the design of the new billing system after the original budget estimates were developed in 2019 to meet customer and regulatory expectations.

In addition to increasing the Company's labor costs, these additional integrations and extensions both pushed back the start date for required testing and expanded the scope of that testing. Changing the project's go-live date to allow the Company to successfully complete all testing and implementation to the Company's quality standards will result in the Company capitalizing several months of additional labor and contract expenses.

Remediating Billing Exceptions

The second driver of the Company's increased capital costs is its need to resolve existing billing exceptions before the New CSS goes live. As discussed below, this effort is going well beyond normal practice for customer billing operations and was driven specifically by the Company's requirements for the New CSS project. The Company currently forecasts capital costs of approximately $25 million for billing exception remediation.

Billing exceptions occur when a transaction in the Company's billing system meets certain criteria such that the system will not continue processing the transaction automatically and will instead refer it for manual employee review. There are several reasons why the system might generate a billing exception, including where (1) the previous month's meter reading is higher than the current meter reading; (2) the meter reading is higher or lower than expected based on the customer's account history; (3) the customer is billed on a complex rate that requires employee review and adjustment, including certain demand billing rates and rates associated with distributed generation; and (4) it is the customer's first bill after an AMI installation and an issue arises that prevents automated billing. The Company has found that having employees review these billing exceptions not only results in more accurate billing, but also reduces the incidence of future billing exceptions on those accounts.

The Company's continuing benchmarking of other utility billing system implementations since it filed the original business plan demonstrated the importance of correcting existing billing exceptions before transitioning customers to a new billing system. While every utility carries some number of outstanding billing transactions, the Company is seeking to go beyond normal practice by bringing that number well below normal levels before launching the New CSS. To that end, since 2022, the Company has deployed significant employee and contractor resources to resolve, as fully as possible, the Company's existing backlog of customer billing exceptions before the New CSS goes live. Minimizing the number of outstanding exceptions should reduce the potential for inaccurate or delayed billing once the new system goes live.

Discussion

The Commission Should Allow Con Edison to Treat as Capital Incremental Costs Above the $421 Million Cap Established in Rate Proceedings More Than Three Years Ago, Subject to Additional Commission Review.

In accordance with Generally Accepted Accounting Principles, absent a spending cap, Con Edison would record as capital expenditures the full costs it is incurring to develop and implement the New CSS. The Commission's 2020 rate order, however, subjects the Company to a $421 million cap on capital expenditures. Because of that cap, absent the relief requested here, Con Edison would ultimately have to record as an expense against earnings any amounts it spends above that cap.[27]

[27] *See* Accounting Standards Codification 360-10-35, *Property, Plant, and Equipment—Subsequent Measures* (requiring long-lived assets to be tested for recoverability when circumstances, including regulatory actions, indicate that the carrying amount may not be recoverable).

The Commission should allow Con Edison to continue to capitalize incremental costs above the $421 million cap, subject to further Commission review. Con Edison is incurring these costs for the benefit of its customers, and these benefits will be realized over the life of the project. Capitalizing these costs further will not undermine the project's cost-benefit analysis.[28] And given the Commission's recent focus on billing system implementation, the Commission should not penalize utilities by forcing them to expense the costs they incur when they adjust project timelines to allow more time for testing of complex billing solutions.

Moreover, this accounting treatment is consistent with the 2019 Joint Proposal's provision allowing Con Edison to petition for recovery of costs above the $421 million cap. That provision recognizes that Con Edison may be permitted to recover those costs, subject to further review. Con Edison, however, is not seeking that relief at this time, before the New CSS goes live and the Commission can review the Company's final expenditures. As such, at this time, Con Edison is <u>not</u> seeking to recover these costs.[29] Instead, subject to such further review, Con Edison asks only for relief from the $421 million cap to continue capitalizing these costs for financial accounting purposes. It would be unreasonable for the Commission to acknowledge (as it has) that Con Edison may petition for additional cost recovery and yet also, in effect, put Con Edison in a position where it has to take a charge against earnings before such a petition has ripened. By granting this relief, the Commission would not have to prejudge the outcome of any

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[28] Under the figures in the original New CSS business plan, if the incremental capital costs at issue here were added to the original total (combined capital and O&M) project budget of $505 million, the forecasted benefits would still greatly exceed the projected costs.

[29] The Commission's traditional three-part test for deferral of O&M costs—that the expense is incremental to the amount allowed in rates; that the incremental amount is material and extraordinary in nature; and that the petitioner's earnings are below the authorized rate of return on common equity—does not apply here. This petition seeks not to defer excess O&M costs for recovery through rates, but only authorization to treat as capital additional costs incurred above the $421 million cap, subject to further review.

future petition; it would merely preserve the status quo, for accounting purposes, until it receives such a petition.

Conclusion

Con Edison acknowledges that the Commission does not have established tests or guidelines to determine whether to allow a utility to capitalize costs incurred above a Commission-approved limit on capital spending, and that determining the Company's right to cost recovery will ultimately require further review by the Commission. Regardless of how the Commission chooses to proceed, Con Edison's successful implementation of the New CSS project is critically important for the Company, its customers, other stakeholders, and the customer service processes necessary to support the State's clean-energy goals. But due to circumstances described above, the complexity of the project has grown since Con Edison filed its original business plan four years ago. For these reasons, Con Edison respectfully requests that the Commission issue an order authorizing the Company to capitalize its capital costs for the New CSS project above the $421 million cap in the 2020 rate order, subject to further Commission review after the system goes into service.

Dated: New York, New York
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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By: /s/ Edward Sherwin

Edward Sherwin
Associate Counsel
Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York, NY 10003
(212) 460-6300
sherwine@coned.com