Q. Please state your name, occupation, and business address?

A. My name is Andy Anderson. I am a member of the Board of Directors of the New York Energy Consumers Council, Inc. ("NYECC"), which is located on the 22nd floor at 1 Pennsylvania Plaza, New York, New York, 10119. I have been on the Board of Directors for the past eight years. I am also the Chief Executive Officer at WatchWire, f/k/a EnergyWatch, which is located at 1261 Broadway, Suite 510, New York, NY 10001.

Q. On whose behalf are you appearing in this proceeding?

A. I am appearing on behalf of the New York Energy Consumers Council, Inc. (NYECC), which was created on July 30, 2004 as a result of the consolidation of the Owners Committee on Electric Rates (OCER) and the New York Energy Buyers Forum (NYEBF). NYECC's members represent a broad spectrum of energy buyers, including hospitals, a university, a financial institution, residential and commercial real estate properties, energy service companies, and energy consultants.

Q. Have you previously submitted testimony in a proceeding before the New York State Public Service Commission ("PSC" or the "Commission")?

A. I have not previously submitted testimony to the Commission.

Q. Please describe your educational background and relevant work experience.

A. I graduated from Franklin & Marshall College in Lancaster, Pennsylvania with a Bachelor of Arts degree in Economics and from Columbia Business School in New York, New York with a Master's degree in Business Administration. WatchWire is a private equity backed New York City-based provider of sustainability and energy management software-as-a-service and associated professional services to large commercial and corporate real estate, retail portfolios, industrial energy consumers, municipalities, educational institutions, and more. At Watchwire, I work with more than 800 million square feet of real estate across the United States, including nearly 150 million square feet of office space in New York City, representing more than $3 billion in annual energy spend. Over the past 13 years, I have helped clients manage their energy data in preparation for local, state, and federal benchmarking and performance laws, reduce energy consumption and spend via tariff and procurement optimization, measure and verify energy conservation measures, and participate in numerous sustainability reporting benchmarks, standards, and frameworks, such as ENERGY STAR Portfolio Manager, GRESB, CDP, SBTi, SASB, GRI and TCFD.

Q. What are your responsibilities as a Director of NYECC?

A. As one of NYECC's Directors, I attend and engage with the other Directors and members at NYECC's monthly Board of Directors meetings and other events, I have served on NYECC's Committees, and am providing this testimony as service to the Board and to NYECC's membership. The New York Energy Consumers Council is focused and continues to focus primarily on the needs of energy consumers in Con Edison's service territory.

Q. Do you have any other experience?

Yes, I am an Adjunct Professor at NYU's Center for Global Affairs Master's program, teaching *Energy Management for Portfolios: Putting Policy Into Practice.* I am also a LEED AP O+M, an AEE CEM and CMVP.

Q. Do you have any introductory comments to make as to electric rates in Con Edison's service territory as compared with electric rates elsewhere in the United States?

A. Yes. Electricity consumers in New York City and the County of Westchester continue to pay among the highest electric rates that consumers pay anywhere else in the continental United States. On March 11, 2022, the Bureau of Labor Statistics of the United States Department of Labor reported that New York area consumers paid 32.4 percent more than the nationwide average for electricity in

February, last February electricity prices were 59.9 percent higher in New York compared to the nation. In the last five years, local area electricity prices in February exceeded the national average by as much as 59.9 percent. See Exhibit __ (AA-1).

Q. Are you concerned that investors may not look to invest in utility stocks, and in Con Edison in particular, under current stock market uncertainty, if the Commission does not give the Company its requested increase?

A. No, I am not concerned. First, on January 20, 2022, Con Edison declared an increased quarterly dividend of 79 cents a share on its common stock for the 48th consecutive year, the longest period of consecutive annual dividend increases of any utility in the S&P 500 index. See Exhibit __ (AA-2). In doing so, Con Edison continues to remain as a member of the exclusive S&P 500 Dividend Aristocrats index, which is comprised of current members of the S&P 500, who have been paying increasing dividends year after year for at least 25 years. Con Edison is among only three utilities on the list of S&P 500 Dividends Aristocrats. Con Edison is about as consistent a dividend stock as they come with its 100+ years of steady dividends and its 48 years of annual dividend increases, including during the Great Recession of 2007-2010 and again in 2020 and since then with the ongoing coronavirus pandemic. The Company's current dividend yield is an impressive 3.7% exceeding the average dividend yield of the S&P 500 Index by more than double. See Exhibit __ (AA-3).

Q. Please summarize your testimony?

A. The primary focus of my testimony is to emphasize the importance of minimizing the economic burden and bill impact upon energy consumers, especially many of NYECC's members who are among the largest energy consumers of electricity, located within Con Edison's service territory and to discuss Con Edison's testimony regarding its proposed increase in the revenue requirement, additional cost burdens to electric ratepayers, and the need for further cost mitigation. In addition, NYECC is concerned that Con Edison's planning and level of preparedness is not yet aligned with the State's public policy objectives as set out in the Climate Leadership and Community Protection Act ("CLCPA") and other State and local mandates which could ultimately impact electric reliability, add costs to ratepayers, and delay the attainment of the goals of the CLCPA and other State and local mandates.

Q. How much of an increase is Con Edison seeking in its revenue requirement in this electric rate case for the rate year ending December 31, 2023?

A. In its original January 28, 2022 filing, Con Edison requested an increase in the revenue requirement for Rate Year 1 ending December 31, 2023 in the massive and probably unprecedented amount of $1.199 billion. In Con Edison's April 8, 2022 preliminary electric update, the Company decreased its previously proposed Rate Year 1 increase amount by approximately $81 million, resulting in a still massive new increase request of $1.038 billion. An approach to mitigate the Company's electric rate request will be necessary and essential in this case as in other previous Company electric rate requests in order to prevent unjust and unreasonable rates to customers. The Company continues to operate as a natural monopoly with its own exclusive service area with apparently little real concern of its obligations to operate within the already significant amount in billions of dollars it receives annually in rates from electric ratepayers.

Q. How much has the Company received and continues to receive in the aggregate in revenue requirement amounts under the three rate years of the current rate plan in Case 19-E-0065?

A. In 2020 (rate year one), the total electric sales revenue amount received by the Company was 8 Billion, 131 Million, 314 Thousand Dollars ($8,131,314,000). In 2021 (rate year two), the total electric sales revenue amount received by the Company was 8 Billion, 642

Million, 953 Thousand Dollars ($8,642,953,000). Finally, for 2022 (rate year three), the Company is unwilling to forecast a dollar amount, instead it has stated that actual revenues recorded for 2022 are not yet known and cannot be provided, but that first quarter 2022 financial results will be filed with the SEC in May 2022. See Exhibit __ (AA-4). At the end of the current three-year electric rate plan the Company will probably have received in excess of approximately $25 Billion from electric ratepayers in sales revenue.

Q. Can you give an example that verifies NYECC's concerns that Con Edison's planning and level of preparedness is not yet aligned with the State's public policy objectives as set out in the CLCPA and other State and local mandates?

A. In a discovery request from New York City, the Company was asked to identify the 10 networks that are, as of January 1, 2022, closest to exceeding the capacity of the area substation(s) serving the network, to describe the capacity situation in each network listed in the response, and to describe Con Edison's plans, if any, for addressing the capacity status of each such network. The Company's response describing Con Edison's plans for addressing the capacity status of each such network consisted of concept phrases with projected new substation dates. Exhibit ___ (AA-5). Concept phrases with projected new substation dates is not a plan.

Q. Is there any other reason why NYECC continues to be concerned that Con Edison's planning and level of preparedness is not yet aligned with the State's public policy objectives as set out in the CLCPA and other State and local mandates beyond the above example?

A. Yes, London Economics International LLC ("LEI") was engaged by the New York Energy Consumers Council to review Con Edison's long-term planning for electricity and gas infrastructure in New York City. LEI prepared a report which details its analysis and findings regarding the appropriateness of Con Edison's plans to meet the energy needs of NYC and public policy targets in a practical and cost-efficient manner. LEI's report concludes that while Con Edison, with guidance from the New York Public Service Commission, has undertaken efforts to prepare its transmission and distribution system, there are some areas where Con Edison's planning and level of preparedness are not yet aligned with the State public policy objectives. LEI concludes that Con Edison's planning and capital investment forecasts should account for the uncertainty surrounding future developments by considering a range of load scenarios, retirement of thermal generation, and interconnection of new wholesale supply resources, as these scenarios may reveal transmission and distribution needs earlier than currently planned. Con Edison's planning scenarios must also properly account for potential solar and storage capacity growth within load pockets, and demand-side resource capabilities, as potential alternatives to traditional infrastructure buildout. Exhibit ___ (AA-6).

Q. Are you in favor of Con Edison's proposal for the Company being allowed to recover flotation costs associated with the issuance of equity shares with a Company recommended ROE adder of 10 basis points being added to the Company's proposed 10.0% ROE?

A. No, I am not. The Company's shareholders bear the cost of raising equity when flotation costs are not included in the revenue requirement and these costs should be borne by the Company's shareholders and not by the Company's ratepayers. Exhibit ___ (AA-10).

Q. Are you in favor of an ROE between 10 and 10.5% as proposed by Con Edison?

A. No, I am not. When asked the Company could not name any other New York State utility currently receiving an ROE between 10% and 10.5%, inclusive. Exhibit ___ (AA-11).

Q. Do you think it is problematic that the Company has reported to having 90,000 billing exceptions on AMI meters that had to be addressed manually in January 2022 but that the Company has no breakdown of these exceptions by cause?

A. Yes, I do. If the Company does not know and understand the numerous billing exceptions on AMI meters and what is causing them, then it will be difficult to impossible for the Company to reduce such a large number of billing exceptions going forward and the Company needs to be able to reduce this number significantly. Exhibit ___ (AA-12).

Q. Do you agree with the manner in which the Company forecast its property tax rates by making adjustments for the five-year period, which includes three rate years and beyond, by "normalizing" the escalation factor used to forecast property taxes in the outer years to exclude the actual property tax rates for fiscal year 2021/2022 from the five-year average?

A. No, I do not. The actual property tax rates for fiscal year 2021/2022 should not have been adjusted to normalize the escalation factor used to forecast the property taxes in the outer years to exclude the property tax rates for fiscal year 2021/2022 from the 5-year average and instead should reflect the actual decreased Class 3 property tax rate in the 5-year average without any adjustment. Exhibit ___ (AA-13).

Q. Do you have any concerns regarding the $121.1 million to be funded over three rate years in four Company owned energy storage equipment facilities at Company substations?

A. Yes, I do. The Company assumes access to a 30% standalone storage investment tax credit, which may not materialize, including that pending federal legislation has not been passed by either the U.S. House of Representatives or the U.S. Senate. While the Company's analysis resulted in a benefit cost ratio greater than one for the proposed energy storage portfolio, it only does so based upon this assumption. Exhibit ___ (AA-16).

Q. Do you have any thoughts regarding the Company's proposed ratepayer funded investment of $231 million in its Primary Feeder Reliability program over three rate years based upon incorporating the projected TV variable into its plan which has affected the Company's load forecast and network reliability model?

A. The Company concedes that the increased TV variable is currently expected to impact the Company's load forecast and network reliability model beginning in year 2030, eight years from now. The Company claims that in order to prepare for the increased TV, the Company must begin making the required updates beginning in 2022 in order to complete the project for 2030. Exhibit ___ (AA-17). However, the Company's Exhibit ___ (EIOP-3), Schedule 3, page 155, does not reflect any funding needed beyond 2026 to meet the 2030 deadline, or any cost savings, or any cost avoidance in expending these funds during the three rate years. Accordingly, it would appear that expending these requested funds for 2023 through 2025, inclusive, in whole or in part, instead of closer to 2030 may be a premature use of ratepayer funding.

Q. What do you think about the Company's proposed Selective Undergrounding Program?

A. This is an expensive $345 million funding request, $240 million of which is being proposed in the three rate years, which does not appear to be cost justified. In fact, the Company failed to explicitly provide any information beyond its referral to its White Paper. Exhibit ___ (AA-18). There also appear to be significant obstacles to implementation of what is still a relatively abstract plan that has not yet fully coalesced based upon the Program's White Paper in Exhibit ___ (EIOP-3), Schedule 3, pages 212-218. The Company has also not made its case that less expensive alternative solutions are not available to sustain existing reliability levels. Accordingly, prudence suggests that this lack of specificity for any essentially needed project, and in the absence of specific cost savings and specific cost avoidances to justify expending such a large amount in ratepayer funding, that the Selective Undergrounding Program be rejected at this time.

Q. Do you agree with the Company's proposal for a full and symmetrical reconciliation of COVID uncollectible expenses?

A. No, I do not. The Covid-19 pandemic has inflicted significant human and monetary costs and losses to the Company's customers and to all New Yorkers and New York's businesses and entities. It is completely unreasonable to compound those costs and losses on the Company's customers by entertaining a proposal which, unlike any other entity in society, essentially exempts the Company from suffering any costs and losses resulting from the pandemic.

Q. Do you agree with the Company's proposal for a full and symmetrical reconciliation of late payment fees via surcredit/surcharge?

A. No, I do not. The Company should continue to forecast late payment fees and then manage any over or under recovery.

Q. Do you agree with the Company proposed reconciliation for inflation to the extent that actual inflation exceeds the inflation

rates assumed in the revenue requirement by a specified threshold, characterized by the Company as hyperinflation?

A. Absolutely not. Once again here, the Company seeks an exemption from the circumstances of the day that no other entity or person would have the audacity to request. As the Company acknowledges, rate case O&M is based on forecasted amounts and the Company is generally expected to manage (rather than reconcile) the higher and lower actuals relative to the forecast and across other O&M items. In addition, the Company could not provide an example as to when a Wage Inflation Reconciliation has ever been requested by Con Edison and granted by the Commission and the terms of any such reconciliation. Exhibit ___ (AA-19). The Company does not explain why 160 basis points above the GDP deflator rate is a circumstance which falls within an acceptable definition for hyperinflation. Exhibit ___ (AA-20). The Company is also proposing inflation reconciliation for non-labor O&M. Exhibit ___ (AA-21). The only time the U.S. has suffered hyperinflation was during the Civil War when the Confederate government printed money to pay for the war. The value of the U.S. currency is not plummeting in foreign exchange markets. The nation's importers are not going out of business as the cost of foreign goods skyrocket. Unemployment is extremely low. Government tax revenues are not falling and government is not having trouble providing basic services. “The current inflation rate shows that the U.S. is nowhere near hyperinflation (it isn't even in the double digits).” Exhibit ___ (AA-22) and Exhibit ___ (AA-23). The Federal Reserve prevents hyperinflation in America with monetary policy. The Fed's primary job is to control inflation while avoiding recession. It does this by tightening or relaxing the money supply, which is the amount of money allowed into the market. Tightening the money supply reduces the risk of inflation. There is no reason to believe that the Federal Reserve would not prevent hyperinflation in America through its use of monetary policy. Exhibit ___ (AA-22) and Exhibit ___ (AA-23). Accordingly, the Company’s proposed reconciliation for inflation is properly rejected.

Q. Do you agree with the Company introduced reconciliation related to the Power Ready Program?

A. No, I do not. The reconciliation is being proposed for a set of circumstances that may not materialize and so this reconciliation is properly rejected for its speculative nature.

Q. Do NYECC’s members have any concerns regarding Con Edison service disruptions due to power/voltage irregularities in 2022?

A. Yes, very much so. Many of NYECC's members have experienced numerous service disruptions due to power/voltage irregularities in 2022. A sample email notice that Con Edison provides to customers accompanies this testimony. Exhibit ___ (AA-25).

Q. Why are NYECC's members concerned about these service disruptions due to power/voltage irregularities?

A. One of the reasons is the increasing number of times that these service disruptions are occurring and recurring throughout Manhattan especially in midtown Manhattan. More importantly, these recurring service disruptions due to power/voltage irregularities are resulting in the temporary loss of equipment such as HVAC critical systems, elevators, and sometimes causing entrapments. As examples, one NYECC member experienced service disruptions due to power/voltage irregularities at its buildings some of which resulted in the following dollar amounts in equipment failures on the following dates and times: 1/7/22; 2/1/22 @ 5:50PM ($20,818.61 in equipment failures); 3/19/22 @ 8:38PM ($33,865.82 in equipment failures including the event on 3/21); 3/21/22 @ 8:17AM; 3/29/22; 4/20/22 @ 7:45AM ($5,533.22 in equipment failures), 4/25/22 @ 2:26AM ($5,117.13 in equipment failures); 5/2/22 @ 9:31AM; 5/4/22 @ 3:23PM; 5/5/22 @ 11:41AM; 5/16/22 @ 3:30AM. Another NYECC member reported service disruptions on the following dates and times, one of which included an elevator EMS CPU that failed and needed to be replaced: 2/1/22: 6:00 pm; 3/21/22: 8:11 am; 3/29/22: 11:00 am; 4/11/22: 3:17 pm; 4/20/22: 7:43 am; 5/2/22: 9:30 am. Another building of this NYECC member experienced disruptions on the following dates: 4/20/22; 4/25/22; 5/2/22; 5/5/22; 5/8/22. Another NYECC member lost elevator controller drives which cost about $16,000 each for replacement and lost their chiller plant or fans or both, which needed to be reset and restarted which costs money as well.

Q. Do you agree with the Company's proposal to eliminate ice energy storage from its metric and continuing not to offer an ice energy storage incentive?

A. No, I do not. NYECC would like to see the resumption of the ice storage incentive program by the Company and perhaps improving upon the previously provided incentive as the need for the program is more relevant now than when the program ended. Ice energy storage technology should not be treated any differently than other energy storage which use other technologies such as batteries. The Company should support an all-hands-on-deck approach to helping New York City and New York State achieve their ambitious energy goals and that includes not treating some energy storage technologies less than others by resuming ice energy storage incentives and by continuing to include the tracking of ice energy storage projects in its metric.

Q. Are there other costs that customers are paying for in addition to whatever the increase in rates will be in this rate case and that should be considered by the Commission in mitigating the size of any rate increase?

A. Yes, there are significant additional costs. For instance, the Commission has previously approved $800 million for transmission projects. Exhibit ___ (AA-26). In the New Efficiency New York (NENY) proceeding, the Company is currently authorized a total of $1.7 billion on energy efficiency and building electrification programs between 2020-25. The funding cap is on a cumulative basis, subject to interim review by the commission. Exhibit ___ (AA-40). Customers are expected to fund significant cost sums in increasing amounts for each of the three rate years in the New Efficiency New York proceeding for electric energy efficiency, namely, $122,272,345 in Rate Year 1, $178,580,801 in Rate Year 2, and $252,866,269 in Rate Year 3, which totals an appreciable additional customer funding sum of $553,719,415. The Commission has previously authorized Con Edison ratepayers to pay significant increasing sums of $304,363,001, $344,880,065, and $402,350,251 in the NENY Proceeding for the years 2023 through 2025, respectively. Additive customer funding is also expected for the Clean Heat program of $28,445,103 in each of Rate Years 1 through 3 for an additional $85,335,309 amount in three years. Exhibit ___ (AA-27). In addition, while the Make-Ready Program Order in the EV Proceeding does not authorize precise amounts to be paid by Con Edison customers in specific years, it does authorize Con Edison spending by category for 2020 – 2025 up to $290,361,084, of which only roughly $8 million has been spent through 2021. Also, Con Edison has been authorized to spend up to $141 million on demonstration projects in the REV proceeding. While there are no annual targets associated with this demonstration budget, to date, Con Edison has spent a total of $78.7 million on demonstration projects under this authorization, which leaves additional tens of millions of dollars in additional funding that customers can be expected to pay. Additional millions from ratepayers are expected for managed charging and REV demonstration projects. Exhibit ___ (AA-28). While the PSC has not established specific dollar amounts for the bulk storage procurements, in the Energy Storage Proceeding, it established a 300 MW storage goal for Con Edison to procure and directed that the costs be "recovered from all delivery customers in the same manner that NWA program costs are recovered at each utility.” Exhibit ___ (AA-29).

Q. Do you agree with the Company’s proposed project cost allocation between NYPA and non-NYPA Customers?

A. No, I do not. Customers served by the New York Power Authority (“NYPA”) through the Power Authority of the State of New York ("PASNY") tariff are currently excluded from participation in the Company’s electric energy efficiency and heating electrification programs because they do not contribute to funding the Company’s programs through their rates. There is just as much reason for NYPA to pay 100% of the cost allocation for NYPA customer projects in disadvantaged communities as there is for NYPA to pay 100% of the cost allocation in NYPA customer projects outside disadvantaged communities. Exhibit ___ (AA-30). Moreover, the rationale provided in having non-NYPA customers pay 50% of NYPA-customer projects in Disadvantaged Communities (DACs) because it allegedly aligns with state policy goals makes as much sense as having NYPA customers pay 50% of non-NYPA-customer projects in Disadvantaged Communities (DACs) to align with state policy goals. Exhibit ___ (AA-38). The policy objective is the same in both instances and therefore the Company’s purported rationale fails because it demonstrates the iniquity of burdening non-NYPA customers with what are clearly costs that should be allocated in full to NYPA customers. Finally, the selection of the percentage allocation at 50% is not based on any rational basis, but appears to have been selected arbitrarily, which is an additional reason that this proposal should be rejected. Exhibit ___ (AA-39).

Q. Do you agree with the Company's efforts to mitigate bill impacts for deficient classes in the ECOS study by realigning revenues in the Rate Year based on one third of the revenue adjustments shown on Table 1A, and to further realign revenues based on the remaining two thirds of the revenue adjustments shown on Table 1A in subsequent years?

A. No, I do not. The bill impacts of the deficient service classes should not supersede the bill impacts of service class customers in Rate Year 1 (calendar year 2023) who have already paid in excess of their fair share as indicated by the Company's 2019 ECOS study. Accordingly, non-deficient service class customers in Rate Year 1 (calendar year 2023) who have already paid in excess of their fair share as indicated by the Company's 2019 ECOS study should receive the full benefit of those paid revenues without any adjustments. Exhibit ___ (AA-31).

Q. Do you agree with the Company not incorporating cost savings into proposals for RY1-RY3 because the Company expects near term customer service complications due to abnormal operating conditions that will offset any potential cost savings resulting from these efficiencies, that specifically, the Company expects these complications to arise due to conditions created by the pandemic and the Company's conversion to a new billing system, and that the Company expects customer service interactions to increase as a result of historically high levels of customer arrears during the pandemic?

A. No, I do not. Cost savings should be quantified and tracked separately so that reported costs excluding cost savings are reflective of the transparency between actual costs and actual cost savings. Exhibit ___ (AA-32).

Q. What do you think about the Company's proposed increase in its forecast to $27.8 million of O&M spending for 2023 which is different from the previous forecasted amount of $22.6 million?

A. The Company has not provided adequate support to justify a change from its initial forecast. The Company concedes that forecasted IT costs of $789,000 are not for labor but for non-Oracle CC&B software and colocation costs. In addition, there is no explanation provided as to why the Company anticipates that it will need 344 temporary employees during the peak staffing period in April and May 2023 when the previous forecast of 317 temporary employees for the same time period was sufficient other than to say the change is due to the need for additional customer service back office and customer accounting functions and additional supervision to maintain operational performance of the temporary support. It is not transparent to exclude categories of individuals that the Company should include in its forecast if it in fact believes there is any possibility they may need them and have this serve as a disingenuous justification for increasing costs to ratepayers at some later time. Exhibit ___ (AA-33).

Q. Do you think that customers should have to pay the higher O&M costs for 2023, 2024 and 2025 which impact the project's payback period contained in the Customer Service System Business Plan, which impacts the project's cost-benefit calculation, and extends by 24 months the payback period for the new CSS investment due to the O&M increase?

A. No, I do not. Shareholders and not customers should be held responsible for any higher costs resulting from any changes to the project's payback period contained in the Customer Service System Business Plan, which impacts the project's cost-benefit calculation, and extends the project's payback period by 24 months. (Exhibit ___ (AA-34).

Q. Do you have any concerns regarding the proposed increase from 2022 through 2026 (relative to 2021) in the average unit cost to install an RMS transmitter annually despite the Company's improvement in efficiency?

A. I do. Despite the reduction in targeted installs driving the average unit cost down, the Company's accompanying chart reflects that the average unit cost does not stay down but instead relative to 2021 (569) increases by 86% in 2022 (1,058) and stays at that increased amount and percentage through 2026 (relative to 2021). There is a disconnect between the Company's assertion of improvement in efficiency as demonstrated by the numbers in 2021 and the proposed increase in the average unit cost from 2022 through 2026. Exhibit ___ (AA-35).

Q. What do you think about the Company's request to increase incremental FTEs by 28% since its initial filing?

A. This is a significant percentage increase from the Company's initial request within a short time period without sufficient explanation or justification. Here too, the Company continues in its reticence to demonstrate any cost savings or reductions in the Company's ask for storm restoration in other areas where it has sought an increase in the revenue requirement to offset the hiring of these proposed 255 FTEs. Absent a better adequate explanation or justification to increase FTEs by 28%, the Company's request should be rejected. Exhibit ___ AA-36).

Q. Do you have any concerns regarding the Company's preparation and restoration plans for major storms based upon the Company's use of three categories of workers for major storm restoration: (1) its employees and on- site contractors; (2) storm response contractors; and (3) mutual aid crews released from other utilities?

A. I do. While the Company needs to be adequately prepared for major storms, there needs to be balance and consideration for costs to ratepayers so that the Company is not so overprepared for storms that unnecessary costs are needlessly incurred by ratepayers especially when major storm forecasts prove incorrect either as to severity or impact on the Company's service territory.

Q. Are you in favor of Con Edison's proposals for Company incentives, also known as, Earnings Adjustment Mechanism or EAMs?

A. Perhaps, if there are incentives that are deemed appropriate by the Commission, then they should be included within the context of the rate case, be reasonable in scope and amount and only for items for which the Company is not already receiving compensation in rates and only for items that are within the Company's control and effort. Con Edison should not be provided incentives for pre-existing obligations to its customers for which it is already being compensated for in rates, nor should it be compensated for items beyond the Company's control and efforts. This obligation to provide safe and reliable service to customers at just and reasonable rates does not entitle the Company to any double recovery in both rates and incentives, nor for the efforts of other parties acting independently of the Company. If the Company does not properly plan and allocate the just and reasonable resources allotted to it by the Commission, as required, then there is significant value in the Company and its shareholders knowing that the consequences for such failures, include that the Company's ratepayers will not be asked by the Commission to pay for such failures, especially during an existing rate plan. Any measures used for incentives should be objectively reasonable. In any limited circumstance where customers are asked to bear such costs, they should be related to exceptional utility service and performance, within the Company's control and effort, which is beyond what is expected and afforded in rates, and costs should be reasonably limited. Ratepayers should never be treated as an inexhaustible source of revenue and/or incentives for the utility resulting in unjust and unreasonable rates. The Commission should consider eliminating additional EAMs that it finds are not needed as it did with the interconnection EAM in Case 16-M-0429 on April 18, 2019.

Q. Is Con Edison also seeking an increase in its revenue requirement in this electric rate case for the additional rate years ending December 31, 2024 and 2025?

A. Yes, while the original Company filing was for a one-year rate plan, it intends to explore multi-year rate plans in settlement discussions with interested parties. The originally proposed increases for two additional rate years in electric were $853 million in Rate Year 2 and $608 million in Rate Year 3. In Con Edison's April 8th preliminary electric update, the Company decreased its previously proposed increase amount for Rate Year 2 by $108.874 million, resulting in a new increase request for Rate Year 2 of $744.126 million, and increased its previously proposed increase amount for Rate Year 3 by $6.899 million, resulting in a new increase request for Rate Year 3 of $614.899 million. Accordingly, based upon the latest amounts proposed by the

Company, the very significant cumulative three-year impact of the Company's rate increase request on electric ratepayers is approximately $5.217 billion, which is nearly twice the previous cumulative three-year impact of $2.386 billion, which ratepayers are paying under the current 2020-2022 Rate Plan.

Q. Are there other proposed Company increases to the revenue requirement that NYECC opposes?

A. Yes, NYECC opposes the Company's proposed increases to the revenue requirement for categories of expenses that have not previously been the responsibility of ratepayers and have not previously been part of the Company's revenue requirement. In other words, NYECC is opposed to shifting of cost responsibilities formerly paid by others, including shifting of cost responsibilities from shareholders to ratepayers.

Q. Are there other measures that you think the Company should take in order to reduce the cost burden on ratepayers in this rate case?

A. Yes. Early on in this proceeding, now more than three months ago, NYECC inquired into the Company's efforts to secure funding available from the $1.2 Trillion bipartisan Infrastructure Investment and Jobs Act ("IIJA") which was signed by President Biden on November 15,

2021. At that time the Company stated its understanding that funding opportunities will be available for reliability, resilience, and smart grid projects, that after the Department of Energy publishes guidelines, and after consultation with the Department of Public Service, the Company will determine which programs and specific projects to pursue funding for, and that because the process is competitive, the Company cannot guarantee that its applications will be successful, but that the Company will provide updates to the rate case parties as necessary and appropriate during this case. It has been six months since the historic $1 trillion bipartisan IIJA was signed into law, and many competitive funding application programs are now opening. Of the key IIJA funding programs that utilities and their partners will be eligible for this year, the first Notices of Funding Opportunity (NOFO) windows are already open (clean buses, ferries, electric vehicle charging infrastructure). Additional NOFO windows will open through this summer (clean hydrogen, energy storage) and into the fall (grid flexibility, grid resiliency). Similar to the 2009 American Recovery and Investment Act (ARRA), the NOFOs are expected to have a 90-day grant application window. Exhibit ___ (AA-42). No Company update to the rate case parties has been provided to date. The Company should be applying and putting every substantial effort into filing applications for all of these relevant rate case issues especially those areas for which funding is sought in the instant rate case so that the burden on ratepayers is eased as much as possible.

Q. Is there any other federal funding resource that ratepayers should benefit from besides the Infrastructure Investment and Jobs Act?

A. Yes, under the CARES Act, the Company has received a total of $15,139,318 (Electric $11,748,111, Gas $2,414,721, and Steam $976,486) for the Employee Retention Credit. These funds are properly credited for the benefit of customers. The Company does not explicitly acknowledge these are funds for the benefit of customers stating that the Company may defer amounts for customer benefit/customer collection that meet a 10 basis point annual threshold under the new laws and regulations provision in the Company's current rate plans, and that the total credits the Company received are under the ten basis points threshold. If the customers were to receive the Employee Retention Credits, then the RY1 revenue requirements would have been approximately $4.7M and $1M lower for Electric and Gas respectively, compared to the filed Update. Exhibit ___ (AA-43). NYECC believes these funds should be used in this manner to mitigate any rate increase.

Q. What do you think about the Company's proposal to transition from focusing on an independent Business Cost Optimization ("BCO") program to integrating optimization approaches developed under BCO to normal business planning and operation?

A. The current BCO program is transparent in segregating and quantifying cost savings for customers. It appears that the proposed change will lead to opacity regarding cost savings because there will be no segregating and quantifying the cost savings for customers. Therefore, maintaining the current BCO program makes more sense from the perspective of measuring cost savings for customers.

Q. Does this conclude your testimony?

A. Yes.