

Initial Fact Sheet Summary on Con Edison Steam Rate Case – January 20, 2023

Overview

Consolidated Edison Company of New York, Inc. (“Con Edison”) filed a steam rate case (number 22-S-0659¹) on November 23, 2022 with the New York State Public Service Commission (“PSC”) to increase rates for steam service, effective on November 1, 2023, with further proposed steam rate increases for fiscal years beginning November 1, in 2024 and 2025. Steam Rates were last increased under the February 21, 2014 Steam Rate Case Order in Case 13-S-0032.

Con Edison filed testimonies and exhibits in support of its proposed increases. The New York Energy Consumers Council (“NYECC”) is fully engaged in this 11-month process by participating in discovery, submitting testimony and exhibits, and attending hearings and negotiations. NYECC advocates on behalf of consumers for just and reasonable rates.

Both a procedural and a technical conference for the rate case were held on December 15th before two Administrative Law Judges (“ALJs”). The ALJs established the following rate case schedule:

- 2/10/23 Con Edison corrections/updates to its testimonies and exhibits;
- 3/24/23 Staff and Intervenor testimonies and exhibits;
- 4/21/23 Rebuttal testimonies and exhibits; and
- 5/2/23 Commencement of evidentiary hearing.

NYECC has served eight sets of Interrogatories on Con Edison to date. Following a 1/4/23 discovery conference with the ALJs, Con Edison responded to certain NYECC Interrogatories that were contested previously.

Proposed Impact to Delivery Charges for Consumers:

The proposed average impact to the overall delivery portion of the bill for customers in Rate Year 1 is stated by Con Edison to be approximately a 34% increase. However, certain service classes such as SC-1 increase at a higher rate of 41.2% in Rate Year 1. More importantly, the actual average overall increase is higher when other factors are included, such as the elimination of a Tax Sur-Credit, which raises the average overall rate increase on delivery to 41.6% in Rate Year 1.

Con Edison is requesting a revenue requirement increase on November 1, 2023 of \$136.718 million, and, if there is a three year rate plan, additional revenue requirement increases on November 1, 2024 and 2025 of \$53.955 million and \$49.294 million, respectively. The proposed three year aggregate revenue requirement increase is \$567.358 million.

Con Edison states that they are committed to achieving the CLCPA’s clean energy goals, which will help their customers comply with Local Law 97. Con Edison’s testimony states that currently, the carbon emission factor for the steam system under Local Law 97 is the lowest among the other energy sources (electric, natural gas, and fuel oil). While this has manifested as a lower carbon coefficient in Local Law 97, NYECC believes that the carbon emission factor for steam may be low because some steam generation is a byproduct of fossil fuel electric generation for which the carbon coefficient is biased towards the electric generation. As fossil fuel electric generation is retired, Con Edison will need to

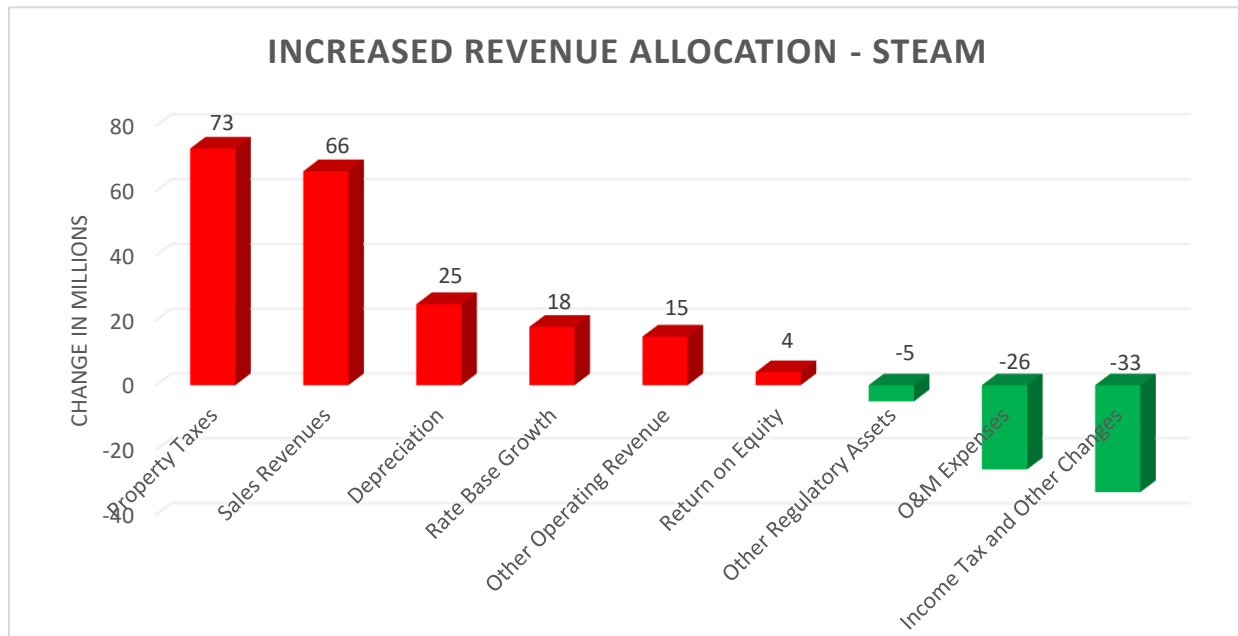
¹[NYS DPS-DMM: Matter Master](#)

²[NYS DPS-DMM: Matter Master](#)

provide new sustainable steam generation. NYECC is actively pursuing a detailed commitment from Con Edison on their decarbonization plan in the rate case proceedings.

Separate Con Edison Petition filed for Steam Energy Efficiency Projects and a Revenue Decoupling Mechanism

On November 8, 2022, Con Edison filed a Petition, in a separate proceeding (18-M-0084²) with the PSC, requesting authorization to provide energy efficiency incentives to steam customers and to implement a Revenue Decoupling Mechanism (RDM) by the PSC’s April 2023 session. The significance of the April 2023 request and the mechanics of the RDM are not detailed in the Petition. NYECC filed a letter in response to the Petition opposed to the relief requested. NYECC believes that these issues should be investigated thoroughly in the Con Edison steam case instead. NYECC opposes determination of the RDM outside the context of the steam rate case where RDM issues are usually investigated and decided.



Proposed Increased Revenue Allocation

Breakdowns of the rate case drivers for the requested rate increases and rate case mitigation by percentage are shown below.

¹[NYS DPS-DMM: Matter Master](#)

²[NYS DPS-DMM: Matter Master](#)