

STATE OF NEW YORK

Public Service Commission

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08051/07-E-0392,08-E-0176

Con Edison Enhances Demand Response Program — Commission Acts to Reduce Metro NY Electricity Demand —

Albany, NY—04/23/08—The New York State Public Service Commission today authorized that Consolidated Edison Company of New York, Inc.'s (Con Edison) demand response (Rider U) tariff amendments, which are designed to reduce peak demand for electricity, would be effective April 24, 2008. In addition, the Commission directed Con Edison to file monthly reports on its demand response customer participation and performance, as well as the company's recommended protocols for evaluation of the Rider U-Distribution Load Relief Program (DLRP).

“Through its action today, the Commission has taken a forward-looking and proactive step in its recognition of the critical need to address the growth of electricity demand in Con Edison's service territory,” said Commission Chairman Garry Brown. “Revisions adopted by the Commission today to Con Edison's demand response program are intended to increase enrollment of business, commercial, and industrial customers by providing enhanced compensation to customers that reduce peak demand for electricity on higher priority networks when required to do so, improve system reliability, and lessen the potential for distribution network outages during this summer.”

The company was directed to develop its recommended evaluation protocols for the Rider U program and file them August 1, 2008, and then submit a report on the 2008 summer program's cost effectiveness to be filed by December 1, 2008. In addition, Con Edison is to complete a demand response market potential study, or Callable Load Study, to determine if marketing targets should be established for the program. This study is to be filed with the Commission by May 15, 2008, and will subsequently be issued for public comment to assist the Commission in assessing future DLRP program goals.

On February 15, 2008, Con Edison filed a report and tariff amendments in compliance with a June 2007 Commission order directing the company to perform an independent assessment of the effectiveness of the DLRP changes put into place for the 2007 summer.

Under the current DLRP, customers enrolled in the mandatory aspect of the program receive a per kilowatt (kW) monthly capacity reservation payment for committing to firm reductions when called upon from Con Edison to reduce demand. In addition, both voluntary and mandatory participants are entitled to receive a minimum energy payment of \$0.50 per kilowatt hour (kWh) of measured load reductions during an event.

Staff of the Department of Public Service (Staff) reviewed the February 2008 report and accompanying tariff modifications. Based upon Staff's assessment of the report and proposed tariff modifications, the Commission authorized several changes to the 2008 summer program such as, increasing the payment level for those DLRP resources located in designated networks from the current payment level of \$4.50 per kW-month to \$6.00 per kW-month. This action is anticipated to increase the amount of demand response available to Con Edison to call upon in the company's higher priority networks. The payment level for non-designated networks will remain at \$3.00 per kW-month.

Other major changes to the DLRP authorized by the Commission today include increasing the number of higher priority networks, and expanding notification time from 30 minutes to two hours for program participants to reduce their load by a pre-committed amount. Additionally, the Commission approved various program changes pertaining to non-performance provisions, metering, event triggers, testing requirements, and enrollment process reporting requirements.

A copy of the Commission's written decision in Case Numbers 07-E-0392 and 08-E-0176, when issued, will be available on the Commission's www.dps.state.ny.us Web site by accessing the File Room section of the homepage. Many libraries offer free Internet access. Commission orders can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).