

STATE OF NEW YORK

Public Service Commission

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PSC APPROVES RATEPAYER REFUNDS TOTALING \$48 MILLION

— Electric Customers to See Bill Credits Due to Constellation Energy Settlement—

Albany, NY—09/19/13—The New York State Public Service Commission (Commission) today approved paying \$48 million to customers of New York’s six investor-owned utilities, as well as the New York Power Authority (NYPA) and the Long Island Power Authority (LIPA). The payment comes as the result of a financial settlement by power producer Constellation Energy Commodities Group, Inc. to resolve a dispute with the Federal Energy Regulatory Commission.

“Today’s decision is good news for New York electric ratepayers,” said Commission Chair Audrey Zibelman. “The financial settlement directly benefits consumers harmed by Constellation’s actions by providing a one-time customer credit, as well as other economic benefits that boost the economy, protect consumers’ interests, and help further strengthen our energy infrastructure.”

On March 9, 2012, FERC approved a settlement with Constellation that required Constellation to pay a \$110 million civil penalty on grounds that it manipulated the wholesale energy sales in three regional markets, including New York. As part of its decision, FERC determined that \$78 million be used within the wholesale electricity market of the New York Independent System Operator (NYISO) for the benefit of electric energy consumers affected by Constellation’s actions.

On July 11, 2012, FERC directed the Commission, the State Attorney General (AG) and the New York Department of State (DOS) to file a proposal for the allocation and distribution of the \$78 million. On September 10, 2012, the Commission submitted a proposal, supported by the AG and DOS, calling for sharing \$48 million with electric customers in the NYISO market, establishing a \$10 million fund to support consumer advocacy in the NYISO wholesale electric markets, and using \$20 million to fund a program to promote advanced technologies to optimize transmission system performance. Subsequently, FERC approved New York's plan because it was fair and reasonable, transparent, non-discriminatory, and it would benefit consumers.

As a result of the Commission's decision, the typical residential customer in New York will receive a one-time credit on the delivery portion of their electricity bill of up to \$3. The actual amount of the credit will vary depending on electricity usage.

The Commission also approved the plans by which the investor-owned utilities will refund the settlement funds to their customers: Central Hudson Gas & Electric will refund \$1.6 million; Consolidated Edison Company of New York will credit \$15.1 million; National Grid upstate will refund its \$10.4 million; New York State Electric and Gas Corporation and Rochester Gas and Electric will credit \$4.8 million and \$2.3 million, respectively; and Orange and Rockland Utilities Inc. will refund its \$1.4 million. In addition, LIPA will refund its \$6.4 million and NYPA will credit \$5.9 million. The investor-owned utilities, along with LIPA and NYPA, will implement the credit adjustment soon after receiving the funds.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 13-E-0232 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.