

STATE OF NEW YORK

Public Service Commission

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FOR RELEASE: IMMEDIATELY

09003/09-S-0029

PSC INITIATES MAJOR CON EDISON STEAM PROCEEDING — Repowering East River Plant, Other Ratepayer Issues Being Reviewed —

Albany, NY—1/15/09—The New York State Public Service Commission today initiated a proceeding to consider several matters related to Consolidated Edison Company of New York, Inc.'s (Con Edison) steam service. The proceeding will consider potential changes to the current East River Re-powering Project (ERRP) cost allocation method, various steam energy efficiency proposals, the company's Steam Resource Plan, and the expected impact upon Con Edison steam rates of the company's capital improvement plans in conjunction with potential changes to the ERRP cost allocation method and energy efficiency programs.

“Placing these multi-faceted issues related to Con Edison's steam service under one proceeding will allow for the most effective review and analysis of the associated impacts on existing and future steam system customers,” said Commission Chairman Garry Brown. “This proceeding should provide the Commission, and Con Edison's ratepayers, with an understanding of the approximate cost of steam service over the next 10-year horizon, and it will establish a basis for decisions regarding the most reasonable path for the company to take in order to satisfy future steam resource needs.”

The Commission today directed interested parties participating in the new proceeding to examine the following issues: the expected impact upon Con Edison steam rates of any potential change to the current ERRP cost allocation method; the company's proposed capital improvements, including replacement at the Hudson Avenue station; the expected upgrades at the Ravenswood Steam station; and the expected upgrades to the company's steam distribution

system; and the costs and benefits of any steam energy efficiency programs approved by the Commission.

The examination of rate impacts should take into account potential impacts on demand that may result from marketing initiatives for new heating and/or air conditioning customers, cost increases, energy efficiency and demand management, or other factors. Additionally, rate impact mitigation options should be explored and developed.

As a result of the new proceeding, energy efficiency programs developed collaboratively by interested parties should be operational during the second year of the existing rate plan beginning October 1, 2009, as well as, any findings regarding the ERRP cost allocation should be implemented beginning October 1, 2010, at end of the term of the current rate plan.

Con Edison serves about 1,800 steam customers which accounts for numerous commercial and residential establishments in the Borough of Manhattan. These customers include owners of New York City landmarks, large office buildings, hotels, hospitals, school and residential complexes.

The Commission's decision today, when issued, may be obtained from the Commission's www.dps.state.ny.us Web site by accessing the Commission's File Room section of the homepage and referencing Case 09-S-0029. 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).