

STATE OF NEW YORK

Public Service Commission

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12019/12-E-0008

COMMISSION LOWERS CON EDISON ELECTRIC BILLS

— \$133.5M in Customer Credits to Offset Temporary Surcharge —

Albany, NY—03/15/12—The New York State Public Service Commission (Commission) today voted to offset, using available customer credits, a portion of rate increase effective April 1, 2012 that would have been collected through a \$133.5 million surcharge under Consolidated Edison Company of New York, Inc.’s (Con Edison) current rate plan. A number of credits owed to customers have been building up during the course of the current three-year rate plan that expires on March 31, 2013.

“The size of the credits owed to Con Edison customers were simply too significant to ignore,” said Commission Chairman Garry Brown. “Using the credits now will benefit customers by helping to offset the scheduled rate increase.”

The Commission’s 2010 Rate Order provided, in each rate year, levelized increases in annual revenues of \$420.4 million. However, the levelized revenue requirement increases would, if implemented solely through base rate increases, have resulted in higher base rates at the end of the three-year rate plan. Consequently, in the third or current rate year, \$133.5 million would have been collected by Con Edison through temporary surcharges.

The Commission’s 2010 rate order also provided for various reconciliation mechanisms designed to capture the difference between numerous costs reflected in the rate plan and Con Edison’s actual costs and contains provision to defer changes in tax law. Additionally, Con Edison is

deferring on its books a number of other credits including several related to prior tax refunds and gains on the sale of property that are not the result of the Rate Order.

To reduce the \$133.5 million surcharge originally planned in the rate case, the Commission opted to use \$52.5 million of the credits deferred outside the rate plan and approximately \$81 million of credits related to federal tax law changes. The credits now will be used against deferred costs associated with levelizing rates on a monthly basis.

As a result of today's action, the average monthly bill for a typical New York City residential customer using 300 kWh per month will increase by 2.5 percent instead of 3.7 percent when the current year increase goes into effect in April.

The Commission's decision, when issued, may be obtained by going to the Commission's www.dps.ny.gov Web site and entering Case 12-E-0008 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).