

STATE OF NEW YORK

Public Service Commission

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ADEQUATE SUMMER ELECTRICITY SUPPLY ANTICIPATED

— Prices Expected to Remain Stable, Downstate Demand Response Program Enhanced —

Albany, NY—05/13/10—The New York State Public Service Commission today received an update from the Staff of the Department of Public Service (Staff) outlining electric utilities' summer preparedness in terms of addressing transmission and distribution reliability needs, and price volatility for residential and small commercial and industrial customers who take electric supply service from the utilities.

“Addressing the state’s electric system’s reliability and supply needs remains a priority concern of the Commission,” said Chairman Garry Brown. “The Commission’s assessment of the State’s utilities’ preparedness to meet the upcoming summer loads indicates that the system is ready and able to provide adequate and reliable service this summer.”

Staff reported that a review of the supply of electric generation capacity and the transmission system condition in New York State indicates that the system is ready to provide adequate and reliable service for this summer. The New York Independent System Operator (NYISO) reports that there are adequate generation and demand side resources to provide necessary supplies of energy and reserves to meet the summer load projections.

In most areas of New York State, the summer months produce the highest electrical loads of the year, which can stress utility electric infrastructure. Each utility already has completed or is in the process of completing distribution projects identified as necessary to be prepared for the 2010 summer period. Additional steps are being taken in the downstate region to provide load relief to assist in the event of high load or emergency conditions during the summer time.

In Consolidated Edison Company of New York, Inc.'s (Con Edison) service territory two load relief programs are available for deployment during high load system conditions. In a separate matter, the Commission voted today to approve enhancements to Con Edison's Direct Loan Relief Program or Rider U to increase customer participation in the program to reduce load on a network level when needed in return for financial incentives.

Cooler summers and the recent economic conditions have reduced the amount of new construction and business that would normally affect utility loadings. Therefore, the overall loading and growth on the electrical system has been less than expected, reducing the number of projects identified for the utilities' summer preparedness program compared to previous years.

Staff also reported to the Commission that the utilities have taken steps to reduce price volatility of their estimated May 2010 through April 2011 commodity needs through fixed and indexed hedges. Generally, residential and small commercial and industrial customers or mass market customers electing to take supply service from utilities instead of alternative providers are more risk-averse. Mass market customers can benefit from the restraints utility hedges provides on electric commodity price volatility.

Based on current projections from the New York Mercantile Exchange (NYMEX) data, forecast summer electric prices — June through September — are about the same as last summer's forecast prices. Actual prices can vary from the forecasts due to a number of factors such as weather and economic conditions.

The Commission's decision in Case 10-E-0169 (Rider U), when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 10-E-0169 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. The reports may also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).