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John B. Howard, Interim Chair

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**21050/21-M-0193**

## **PSC Commences Con Edison and O&R Audit**

### ***Audit Will Examine Information Systems Planning and Implementation, Improvements to Support Clean-Energy Goals, Contractor Oversight, and Coordination with Municipalities***

**ALBANY** — The New York State Public Service Commission (Commission) today initiated a management and operations audit of Consolidated Edison Company of New York, Inc. (Con Edison) and Orange and Rockland Utilities, Inc. (O&R). The audit will focus on areas that will provide the highest value, while remaining consistent with the statutory directive to review the utilities' construction program planning and operational efficiency. Other areas to be examined include information systems planning and implementation, improvements to electric load forecasting processes to support clean-energy goals, contractor oversight, and coordination with municipalities.

"The Commission operates a robust management and operations audit program that includes regular comprehensive management and operations audits, focused operations audits, and statewide utility comparisons," **said Commission Chair John B. Howard.** "The scope of this audit will focus on areas which should provide the highest value, while remaining consistent with the statutory directive to review the companies' construction program planning and operational efficiency."

The Commission last completed a comprehensive management audit of Con Edison and O&R in 2016. The companies also participated in two statewide operations audits along with other large investor-owned utilities in New York. The companies have largely completed the implementation of all recommendations from these three audits.

The law provides the Commission the authority to conduct management and operations audits of natural gas and electric utilities. For large electric and natural gas utilities, the law requires such audits at least once every five years. Con Edison also provides steam service to customers in New York City; and while this audit will only review the electric and natural gas operations, Con Edison may be able to apply relevant findings and recommendations to its steam business as well. The Commission will hire an independent auditor to conduct the audit.

The management audit approach in New York includes, but is not limited to, a prospective investigation of the construction program planning process and an evaluation of operational efficiency with a focus on opportunities to improve performance. The Commission expects the selected consulting firm to analyze current and historical information for the purpose of gaining an understanding of the companies, with the ultimate goal of improving existing processes, practices, systems, and organizational structures to drive better performance.

The audit will focus on the electric and gas utility services in New York State. Con Edison's electric service territory includes all of New York City, with the exception of a section of Queens, and the majority of Westchester County. Electric service is provided to approximately 3.5 million customers in a 660 square mile service area. The company's gas service territory consists of Manhattan, Bronx, parts of Queens, and most of Westchester County; and supplies approximately 1.1 million customers in those areas. O&R's electric service territory is located in southeastern New York. O&R's gas service is concentrated in southeastern New York and supplies approximately 100,000 customers.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 21-M-0193 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission documents 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.