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**Testimony Submitted by NYS Assemblymember Jo Anne Simon
to the Public Service Commission Proceeding on the Motion of the Commission as to the
Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc.
for Electric and Gas Service.**

Cases 25-E-00-0072 and 25-G-0073

Con Ed Rate Changes

Thank you, Judge Kersey, Judge Lecakes and members of the Public Service Commission, for this opportunity to provide public comment on Consolidated Edison's proposed rate changes for electricity and gas. I represent the 52nd Assembly District, which includes Downtown Brooklyn, Boerum Hill, Brooklyn Heights, Carroll Gardens, Cobble Hill, Gowanus and parts of Park Slope and Prospect Heights. I am calling on the PSC to reject these rate hikes.

As we all learned again on June 24th, the rent is too damn high. But so are the utility rates. We are facing an affordability crisis in New York City, and I know that the people of Westchester - whose ratepayers are also affected by this proposed rate increase - feel the pinch as well. Our continued reliance on costly and polluting fossil fuels is only exacerbating this affordability crisis.

Simply put, my constituents are outraged by the prospect of yet another rate hike. Most of this proposed increase would be used to fund fossil fuel infrastructure supporting Con Ed's gas infrastructure and service delivery, fossil fuel generated electricity, property taxes and corporate profit. Very little of the proposed increase can be attributed to clean energy. Just because it's electric, doesn't mean it's sustainable.

On just the gas side, the average monthly bill for a typical customer heating with gas would increase by \$46.42 for a total increase from all customers amounts of \$440 million.

According to Con Ed's submissions, the increase is attributable to: (a) Operating expenses (22% of the increase); (b) 22% is for depreciation expenses - where ratepayers pay back previous investments; (c) 15% of the increase or nearly \$1 billion in gas infrastructure investments which will be paid back by customers over several decades; (d) 15% of the increase would fund an increased return on shareholder equity from 9.25 percent to 10.1%; and (e) 15% would pay local property taxes.

On the electricity side, your typical electric customer would see an increase of \$26.60 (13.4%) per month for a total \$1.6 billion increase across all customers.

This increase is broken down as follows: (a) 27% of the increase is for local property taxes; (b) 23% (nearly \$4 billion) would go to new electric infrastructure investments; (c) 22% of the increase for various operating expenses; (d) 15% of the increase would go towards pensions and other post-employment benefits; (e) similar to the gas side, 12% of the increase would fund an increase in shareholder equity; and (f) 8% would be used for depreciation expenses (which ratepayer pay back over the next decades).

Looking more deeply at the data submitted by Con Ed in support of its request, 67% of its first-year capital investment (\$2.65 billion) are not attributable to clean energy, but to supporting and expanding its fossil fuel aligned electricity delivery infrastructure. Only 5% of its first-year capital investments are dedicated to clean energy investments. Con Ed is not a builder of renewable energy; it's a distributor, mostly via fossil fuel generated electricity production. It builds gas pipelines and electric grid infrastructure, not renewable energy. The public needs to know and understand this. This requested rate increase is completely out of line with New York State's climate action plan and the state's goal of 70% renewable energy generation by 2030.

One in seven New York households is two months or more behind on their energy bills. More than 1.2 million families are collectively in debt and owe more than \$1.3 billion to utilities. This fact demands fundamental changes to the way we deliver electricity and heating and cooling. Ratepayers can no longer afford to foot the bill for the maintenance of a costly fossil fuel network that is constantly in need of repair. Moreover, the costs incurred by those who are in serious arrears are socialized over the base of all ratepayers, resulting in still higher rates (delivery charges) for all which then snowballs, forcing others to become unable to afford the increased costs.

As it stands, the cost of replacing a mile of gas pipeline is \$3 to \$6 million and the utilities distribute that cost right back onto existing customers at \$60,000 per customer. Instead of wasting that money on outdated gas technology, it can be repurposed to transition customers to more affordable, reliable, comfortable, safer, and healthier electric heating and cooling options.

Climate change is real, and it is here. The disastrous flood in Texas is but one of the examples of what climate change hath wrought. In New York, we have experienced 100-year weather events nearly every year. Our peak usage of electricity is during the increasingly hot summer months. We need to stop the train and take bold and innovative steps to transition from fossil fuels to clean, renewable energy. I am proud to have passed legislation that repeals the expensive, outdated 100-foot rule subsidy by ratepayers, which would remove the mandate that existing utility customers pay for the cost of new hookups to the gas system. This will save New Yorkers nearly \$200 million every year, and as it directly relates to this proposed rate hike, will save Con Ed ratepayers \$72 million in the first rate year alone.

New York State is at a crossroads, with looming federal cuts to vital energy assistance programs and its commitment to reach ambitious energy goals with the Climate Leadership and Community Protection Act (CLCPA). New York State must make choices that protect its

inhabitants and choose a different path. For that reason, I call on the PSC to reject the proposed rate increases, which would only keep us on the path to further climate degradation.

I worked to pass the New York Heat Act during the recent legislative season, which would have put New York State on the path to transitioning its energy infrastructure from gas to renewable electricity. Those opposed largely claimed that this transition would be too costly. But my question is, more expensive for whom? These rate hikes are borne on the backs of everyday New Yorkers. Already, replacing fossil fuel systems is becoming cheaper than repairing leak-prone sections of pipeline. In addition, the impacts on health are painful and expensive. The cost of repairing storm damage is astronomical. Precisely how is transitioning to greener, more reliable (and increasingly cheaper) renewable energy more costly than the status quo?

The NY HEAT Act - which would amend New York's obligation to serve gas only - is the clear long-term solution to New York's affordability crisis: it will lower monthly energy bills, curb future rate hikes, protect against possible federal energy tariffs, and save the families who need it most an average of \$136 on their energy bills every single month.

Further, I support the recommendations made and the concerns raised by the Public Utility Law Project in their testimony, which covers several topics including the impacts from the proposed rate increases, the already high arrears, the proposed Return on Equity, and several customer service related items, including:

- the need for better extreme heat and cold protections to protect customers from service terminations
- the need to expand the number of languages for translating customer service materials (bills, alerts, billing info, etc.)
- concerns about service terminations to large multiple dwellings where the account is in the landlord's name (not the tenant's name)
- difficulties coding electric heating accounts so that customers can access vital financial assistance for their bills

We cannot afford to continue business as usual. I call on the PSC to uphold its commitment to helping New York State achieve its climate goals, to reach 70% renewable energy by 2030 and net-zero emissions by 2050. I ask the PSC to reject these rate hikes. I strongly urge the Commission to facilitate the attainment of our state's goals and protect customers from the ever-escalating costs of their utility bills.

