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For Immediate Release – April 1, 2005

New York Energy Consumers Council Helps Cut \$2.29 Billion Request by 76% In Latest Con Edison Electric Rate Case

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NEW YORK, NY --- After 11 months of intervention by the New York Energy Consumers Council (NYECC) and other parties, the Order just issued by the Public Service Commission (PSC) reduces Con Edison's original request for a \$2.29 billion increase in electricity delivery rates by 76% over the three-year period starting April 1, 2005. Intervention by the NYECC, whose commercial energy members consume approximately one-third of the energy used by that rate base in Con Edison's franchise, also led to the PSC's incorporation of a requirement for cost-effectiveness in the implementation of demand management provisions affecting all members of the New York real estate industry and Con Edison's entire customer base.

“Despite these successes, the NYECC continues to take strong exception to the inclusion of some very high-priced Demand Side Management (DSM) provisions in the PSC order,” said Bomke. “The total anticipated costs of adding these provisions to customers' bills remain significant; they may well exceed \$379 million, in addition to the \$534.2 million approved for increased delivery charges. That is a lot to spend when we still have no strong evidence that the proposed approach will produce the demand reductions desired.”

NYECC intervention success/2

“The NYECC will always try to prevent costly mistakes and is convinced that the approach just approved has the potential to become a very expensive mistake,” he continued. “We had asked the PSC to examine the DSM provisions outside the context of Con Edison’s request for an electric rate case and regret the Commission’s decision not to do so. The need for achieving demand reductions is too great to risk spending \$379 million, or more, on ‘solutions’ that cannot guarantee reliable access to economic sources of electricity.”

Bomke cited the findings of the Energy Task Force commissioned by Mayor Bloomberg last year, which his group continues to support. Those findings include very specific electricity capacity goals that require an increase in supply and/or a reduction in demand to meet the City’s long-term electricity requirements. “We remain committed to helping increase supply and capacity while reducing peak demands on our existing electrical infrastructure. Let us be confident that we are implementing the right approach for doing so.”

The NYECC draws on a half century of intervention which has repeatedly won victories for New York’s large-end user community—and has repeatedly proven that the forests of paperwork, hours devoted to preparing testimony, and persistent questioning pay off in **billions of dollars of savings**. The group is dedicated to preserving, protecting and defending the interests of the ever-expanding spectrum of major energy users in New York City and Westchester County through advocacy in such regulatory and legislative arenas as hearings before the PSC, the New York Independent System Operator (NYISO) and the Federal Energy Regulatory Commission. It also serves as an educational forum for its members and is a leading source of such information and communication in the industry. The NYECC is a New York State Not-for-Profit Corporation established in 2004 to defend the interests of major energy users of New York City and Westchester County. NYECC is headquartered at Eleven Penn Plaza in Manhattan and is located at www.nyecc.com on the web.

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