



NEW YORK STATE SENATOR

Shelley B. Mayer

State Senator Shelley B. Mayer's Testimony Before the PSC

STATE SENATOR SHELLEY MAYER July 10, 2025

July 9, 2025

Honorable Michelle L. Phillips

Secretary, Public Service Commission

Three Empire State Plaza

Albany, New York, 12223-1350

Re: Case 25-E-0072 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service.

Case 25-G-0073 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service.

Dear Secretary Phillips:

As the State Senator for the 37th Senate District in Westchester, I represent cities from Yonkers to White Plains, towns from Eastchester to Harrison, and villages from Larchmont to Port Chester. The vast majority of my over 300,000 constituents are dependent on Con Edison for their utilities, and I speak on their behalf.

First, thank you for honoring our request, and the request of County Executive Jenkins, for in-person hearings in Westchester, here in White Plains and yesterday in Cortlandt Manor. While the virtual hearings are important, it is vital to have this in-person option to hear directly from many of the Con Edison customers in Westchester County.

I will not mince words — I am strongly opposed to Con Edison's proposal to increase its rates over the next three years, and urge that you reject them in full. This proposal, according to their own projections, would increase delivery revenues for electricity by 18% and gas delivery revenues by 18.8% — an unacceptably large percentage at any time, but particularly while the cost of living is, frankly, unaffordable to thousands of Westchester residents. The requested increase in electric delivery revenues would mean an average residential monthly delivery bill increase of \$26.60 (a 19.1% increase), while the requested increase in gas delivery revenues would mean a total monthly gas bill increase of about \$46.42 (a 25.1% increase) for the typical residential customer. I urge you to reject the increases.

Let me make a few points: First, unaffordability. The newly proposed increases are simply unaffordable for lower and middle class New Yorkers. In my district, 20% of the households have incomes of less than \$50,000 a year. Another 20% make under \$100,000. Almost 20% are seniors, many living on fixed incomes. Middle to upper middle income constituents are also increasingly being pushed to the limit and face a crisis of affordability that you cannot ignore.

This past winter, constituent after constituent called, emailed, and visited my office for help with literally unaffordable bills, driven entirely by high delivery charges approved by the PSC. While in 2022, unregulated supply costs drove high utility bills, now it is the regulated delivery charges, which are within your power to control. My constituents currently do everything possible to reduce their energy usage to lower their bills, including living on one floor rather than two; setting their thermostat too low for comfort; leaving their home cold when they're away, all to try to save funds — but to no avail. Because their delivery charges are *two or three times as high* as the supply costs and there is nothing they can do to change that.

A rate increase of the magnitude sought by Con Edison will have a devastating impact on my constituents' ability to make ends meet, and could thrust them into utility debt for what might be the first time in their lives. According to the Public Utility Law Project, almost half a million Con Edison customers are 60 days or more behind on their bills, or are cutting other essentials simply to pay for gas and electricity. We are already in crisis.

Second, Con Edison has provided stockholders with a record 51 consecutive annual dividend increases; the longest period of consecutive annual dividend increases of any utility in the S&P 500 index. The company credits their continued emphasis "on providing a return to [their] investors." While Con Edison of New York is just one subsidiary of Con Edison, it is clear that their shareholders have been the beneficiaries of tremendous financial gains over the last several years. Given the dire situation faced by many Con Edison ratepayers and the fact that Con Edison is a regulated utility that has a monopoly in our service area, I believe it is the obligation of the PSC under the law to place the concerns of ratepayers over excessive returns to shareholders.

Third, I have made no secret of my opposition to the process by which these rates are set. I take particular issue with Con Edison's proposed increase in its own profits through a

“return on equity” enhancement. Judging from Con Edison’s financial statements as well as executive pay, their profits are already high enough. The company is asking for a 10.1% return on equity, more than any New York utility has received in 30 years, and significantly higher than the already too high 8.8% return on equity approved in 2020, and the 9.25% return on equity approved in 2023.

I am the sponsor of legislation, which passed the Senate again this year, to revamp the return on equity calculation and to significantly limit the ability of utilities to obtain excessive profits at the expense of ratepayers, but until it becomes law we can only implore you to revisit the current methodology. I’m not alone in pushing for a change — others are making the same arguments, which must be considered. My other bills, all of which passed the Senate on a bipartisan basis, limit the ability of utility companies to retain revenues derived from their actual return on equity in excess of authorized rates; limit the ability of utilities to retroactively recover revenues when rate cases exceed the statutory period; and limit recovery of utility management employee salaries and other costs from inclusion in the authorized rates. I think it is very apparent that many members of the Legislature are determined to change the entire process of rate setting to prioritize ratepayers over utility profits and secret negotiations. Know that we will not stop seeking legislative reform — and I for one, am determined to achieve it next year — but in the interim, PSC for once must act on behalf of the people served by Con Edison and reject these increases.

In that vein, I urge you to take these legislative proposals to heart and carefully scrutinize the operating expenses Con Edison seeks to recover, including salaries for utility management employees and expenses related to Con Edison’s participation in this rate case. Additionally, I call upon the PSC to reject any efforts to include a “deadband” or “earnings sharing mechanism” which would allow Con Edison to retain earnings in excess of their approved ROE in a settlement agreement. Instead, all excess earnings above the approved

ROE should be returned directly to ratepayers, providing much needed relief to overburdened consumers.

Lastly, with so many of my constituents under financial strain, and with the increased uncertainty and challenges brought about by the new federal legislation, which is predicted to raise energy costs for families and businesses, I call on the PSC to do more to protect constituents threatened with service termination and to require Con Edison to provide increased flexibility and affordability options with regard to payment plans and proposed service terminations. These plans should expressly include middle class ratepayers, as well as low income ratepayers, acknowledging that the utility burden is real for almost everyone dependent on Con Edison.

In sum, I call once again on the Public Service Commission to (1) reject *any* rate increase, (2) scrutinize all operating costs, especially utility management salaries and other costs, to protect ratepayers, (3) reject any proposal for a deadband or earnings sharing mechanism in settlement negotiations which unfairly result in utility companies keeping excess profits, and (4) stick resolutely and far more proactively to your legal mandate to protect all New Yorkers.

Thank you for the opportunity to provide comments on this important matter.

Sincerely,

A handwritten signature in black ink that reads "Shelley B. Mayer". The script is fluid and cursive, with the first letters of each name being capitalized and prominent.

Shelley B. Mayer