



**SENATE STANDING COMMITTEES ON  
CORPORATIONS, AUTHORITIES AND  
COMMISSIONS AND ENERGY AND  
TELECOMMUNICATIONS**

**September 30, 2025  
10 a.m. Senate Hearing Room,  
19th Fl 250 Broadway New York, NY 10007**

## **Introduction**

Good morning, Senator Comrie and Senator Parker. My name is Kristen McManus. I am AARP's Director of Government Relations and Advocacy. On behalf of AARP New York and our 2.2 million members, I appreciate the opportunity to speak today about the Public Service Commission (PSC) proceedings.

I am going to direct my comments today toward improving the PSC process by leveling the playing field when developing rates and providing additional transparency to the process, which AARP believes will help with the fact that energy rates in New York State are unaffordable.

AARP will also be recommending that taxpayers and not only ratepayers fund public policy programs like low income rates and the transition to full electrification. First, it is important to note that we have the utmost respect for the dedicated public servants staffing the PSC/Department of Public Service (DPS) and that our comments are not directed at any individual or group of individuals but the process.

According to the DPS website: *"The primary mission of the New York State Department of Public Service is to ensure affordable, safe, secure, and reliable access to electric, gas, steam, telecommunications, and water services for New York State's residential and business consumers, at just and reasonable rates, while protecting the natural environment."*

It is AARP's view that the PSC and the DPS have not met that core mission because certain practices impede the ability of the PSC and DPS to develop affordable energy rates in our state.

The following points are based on observations and experience participating in PSC rate cases:

## **Transparency**

### **Rate Process**

Over the last 40 years, the PSC has relied heavily on negotiated settlements of rate cases in lieu of formal hearings. While initially the goal was to shorten and streamline the process, the reality is that the settlement process often takes longer than the hearings and the outcomes have contributed to an energy affordability crisis.

The DPS staff and the utility negotiate settlements, *i.e.*, Joint Proposals (JP), which are based on confidential information that is not transparent and rarely includes proposals from residential ratepayer advocates or underfunded intervenors. These JPs then go to the PSC for approval and, in the majority of cases, the PSC approves the JP unaltered.

A fundamental flaw of this process is that DPS staff and the utility do not need the agreement of residential utility advocates to submit the JP for PSC approval. Another flaw is the reluctance of the PSC to change a negotiated settlement even when the PSC agrees that an opposing party's proposal is superior to the provision in the JP.

Opponents of the JP, the administrative law judges, and the PSC Commissioners are prohibited from asking why the settling parties included a certain provision in the JP or from seeing any factual support for a provision if that support was provided by the utility or DPS staff during settlement discussions.

For example, in a NYSEG/RG&E case several years ago, parties were prevented by the administrative law judge from asking DPS staff why they agreed to new infrastructure projects included in the JP despite initially testifying that the utilities provided absolutely no justification for the projects.

AARP believes there are several other structural flaws in the PSC process. The PSC guidelines do not prohibit DPS and the utilities from telling intervening parties during confidential negotiations that their issues would be included in the JP if that party promised not to oppose any part of the agreement (including double-digit delivery rate increases).

This practice works for private parties that stand to benefit financially from a particular provision in the settlement agreement, are not customers of the utility, or can pass rate increases onto their own customers. It does not work for residential ratepayers and their advocates. No matter how important an individual provision may be, AARP owes it to our members and other consumers to await the completion of the final JP and consider it in its entirety rather than committing to sign the JP. Transparency should not be determined by DPS and utilities as it is not in the public's interest. The entire process should be transparent.

## **Rates and Cost Disclosure**

Residential ratepayers are being asked to shoulder billion dollar increases by their utility companies, yet there is no clear, plain-language breakdown of what these costs are funding, how much each item costs, and why they're needed. Utilities rarely provide a simple, itemized explanation of exactly what ratepayers are paying for, what the utility originally requested and what was eventually approved.

Settlement after settlement, year after year, the Commission touts in its misleading press releases that the utility's original rate request was reduced by 50%, 60%, or even more. For example, a press release issued shortly after the Commission approved the Con Edison Joint Proposal on July 20, 2023, stated: "*PSC Cuts Con Edison's Electric and Gas Rate Request by 60 Percent.*" But the PSC on July 20, 2023, approved a Con Ed rate increase of over \$1.9 billion—**close to \$230 million more than the utility originally requested.** The rate impact resulted in an average delivery of residential gas and electric increase of \$60 per month.

The same action occurred recently when the PSC approved National Grid's case in August. The PSC stated it cut the rate request, but in fact the PSC approved an additional \$231 million above what was requested.

Unfortunately, in the last two major rate cases for National Grid and Con Edison – with no clear explanation – the PSC approved close to \$500 million more than the utilities originally requested. When the public was notified of the approved rate hikes in PSC press releases, they were told that the PSC reduced the rate request.

The PSC compounds the obfuscation by focusing on the three-year term and revenue requirement of the rate plan. Consumers care about their monthly bills. In the National Grid case, for instance, the PSC approved a 30% delivery rate increase that would be implemented over 19 months in three increments. The first increase occurred on September 1, 2025, soon after the PSC approved the rate plan, the second at the beginning of the next rate year on April 1, 2026, and the third at the beginning of the third rate year, April 1, 2027.

## **Affordability**

### **Residential Rates**

With the Con Edison case pending before the PSC—where the majority of AARP members live and where your districts are located—the affordability issue is more of a crisis. The current consumer collections numbers that Con Edison is reporting to the PSC are very troubling.

- Over 111,000 service terminations occurred in the first eight months of the calendar year (see Appendices A and B). In the past, Con Edison terminations have remained below 60,000 annually since 2015, but this year they are spiking.
- In addition, the most recent data shows that in August, over 343,000 households were 60 days or more behind on their utility bills, owing a combined \$806 million. More than 118,000 final termination notices were sent out for non-payment. The average amount owed by households that were 60 days late in August was \$2,345.

Source: NYS PSC Case Number: 91-M-0744

<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=91-M-0744&CaseSearch=Search>

Across New York, the affordability crisis follows a similar pattern, which is apparent in the numbers for August 2025:

- Over 1.2 million households in New York were 60 days behind on their utility bills, owing close to \$2 billion.
- Close to 13,000 final termination notices were sent to New York households every day in the month of August for non-payment.
- 1,836 households a day were terminated during the month of August.

- The average amount owed by households that were 60 days late or more in August was \$1,512.  
<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=91-M-0744&CaseSearch=Search>

AARP also believes increased rates are exacerbated by the PSC's decision to impose on utility ratepayers the costs of electrification as well as non-rate proceedings. This decision makes it very difficult to authorize rates that are affordable, just, and reasonable.

We commend the Legislature and recent Commission actions to ensure utilities are pursuing other available funds—such as federal grants—before seeking to charge ratepayers. However, the sheer cost of our energy transition still leaves a massive financial burden squarely on the backs of customers.

## **The Uneven Playing Field**

### **Unfair Advantages**

Ideally, the PSC ratemaking process should depend on vigorous external stakeholder participation in these complex proceedings to develop facts and arguments that will be included in the record upon decisions made and voted on by the PSC Commissioners.

There is no shortage of such stakeholder participation from utility companies or from well-financed large commercial and industrial customers. However, residential consumer representation in rate cases consists of only a few not-for-profits dedicated solely to representing individual ratepayers. The PSC routinely approves settlement agreements between the utility and PSC staff despite strenuous objections from residential consumer advocates.

This has led to a tremendous power and resource imbalance among the parties who are involved at cases under consideration at the PSC. New York utilities bill their own ratepayers large sums of dollars for lawyers (both in-house and law firms), scores of professional and administrative staff, and consultants—close to \$20 million a year in reported costs, according to our 2022 report: [‘New Report Asks & Answers the \\$19 Million Question: Why Are Consumers Losing NY’s Utility Price Game?’](https://states.aarp.org/new-york/new-report-asks-answers-the-19-million-question-why-are-consumers-losing-nys-utility-price-game) (<https://states.aarp.org/new-york/new-report-asks-answers-the-19-million-question-why-are-consumers-losing-nys-utility-price-game>)

Utilities have access to an unlimited number of consultants, all paid for by ratepayers. They also assign scores of in-house experts and support staff to prepare and prosecute a rate case. Moreover, residential ratepayer advocates are not considered necessary parties supporting a JP, so many of their proposals can be taken less seriously.

## **AARP Reform Recommendations**

- ✓ Establish an Independent Utility Consumer Advocate: Proposed legislation (S.6277 Scarcella-Spanton) would establish an independent office of the Utility Consumer Advocate dedicated to representing residential ratepayers in rate cases and other matters before the PSC. This office would help create a level playing field and ensure that consumer interests are meaningfully represented. The bill passed both houses and awaits the Governor's signature. We are urging our members and legislators to contact her office to press for this long overdue measure.
- ✓ Require the PSC and utilities to provide transparent, itemized reporting: The PSC and utilities should be required to provide plain language and itemized lists showing the cost and purpose of each funding request. They must also clearly compare what was originally proposed with what was approved in each of the itemized lists. This level of transparency is essential for ratepayers to understand why their bills are rising collectively by billions every three years. This also should also end the PSC's past practice of approving more funding than requested and calling it a "cut" simply because the increase is spread over multiple years.
- ✓ Require a full review of PSC guidelines: The PSC settlement guidelines sideline opponents of a JP since their support is not necessary for PSC approval of a settlement and since the PSC considers the settlement as a whole from the perspective of whether it is within the range of probable litigated outcomes and rarely entertains proposed improvements to particular aspects of the JP. Although it is questionable whether the settlement process can be changed in a way that will make rate plans more affordable, AARP New York recommends the process be reviewed and require the PSC to prohibit certain practices that hinder full transparency of exactly how rates and certain policies are determined in a JP. This should be followed by full scrutiny by parties to the case as well as the public before the PSC votes.
- ✓ Invest in the New York's Energy Assistance Program (EAP): The EAP is a highly effective program that helps individuals avoid falling into arrears and prevents service termination. Currently, over a million eligible households are not enrolled. We recommend policy to direct the PSC and state agencies to eliminate the hurdles preventing so many eligible New Yorkers from enrolling in the EAP. A new investment of \$200 million could accommodate expanded enrollment. Allowing participation without resources to hire expert witnesses misleads the public into believing that the rate case process is open and fair.

✓ Increase Community Organization Participation in PSC Rate Cases:

Include language in a final state budget to establish an Intervenor Funding Account (as proposed in S.2477 – Parker) with a state investment of \$1,000,000. This funding would enhance consumer representation in rate cases before the PSC.

Thank you again for inviting AARP to speak today. We stand ready to work with you to make energy rates more affordable and to build on the work the Legislature has done to make New York a state where people can live and retire with dignity and independence.