



NEW YORK STATE LEGISLATURE

July 23, 2020

John B. Rhodes
Chair & CEO of the Public Service Commission
Empire State Plaza, Agency Building 3
Albany, NY 12223

**RE: Joint Proposal - Case 19-E-0378 (NYSEG electric rates); Case 19-G-0379 (NYSEG gas rates),
Concerning New York State Electric & Gas Corporation (NYSEG)'s Proposed Electric and Gas
Rate Increase**

Dear Commissioner Rhodes:

As the state Senators for the 37th and 40th Districts, we represent several communities in Westchester, Putnam and Dutchess counties impacted by New York State Electric & Gas Corporation's (NYSEG) Joint Proposal for a rate increase. We write in opposition to the NYSEG joint proposal, which would lock in three years of very large rate increases during an unprecedented health pandemic, soaring unemployment numbers and economic uncertainty.

The 22.8% increase in electric delivery rates over three years, well above the Consumer Price Index ("CPI"), increases in wages or Social Security, is simply unaffordable for our constituents, especially at this time. This large rate increase is particularly burdensome for low usage customers, many of whom are seniors, on fixed incomes, or low-income customers enrolled in the company assistance program. Participants in NYSEG's energy assistance program receive a monthly fixed discount on their bill, so an increase in the fixed costs reduces the value of their discount and disproportionately affects them. With unemployment remaining significantly above 10%, utilities should not be raising rates and locking in such large increases in uncertain times.

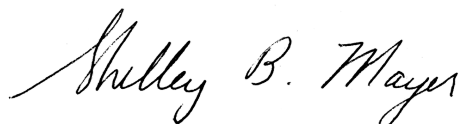
The Joint Proposal identifies a number of important relief measures in response to the COVID-19 Pandemic. Among the measures identified are suspension of residential and non-residential disconnects and suspension of late payment fees. These provisions have been essential for so many residents who were laid off and lost their incomes, but many of these measures were voluntarily agreed to at the direction of Governor Cuomo, and then legislated in

Chapters 108 and 126 of 2020, which we helped pass prior to the Joint Proposal. The Governor and Legislature's actions are not justification for rate increases.

One of the primary drivers of NYSEG's proposed rate increase is a substantial investment in vegetation management, including a move to a full-cycle distribution vegetation management program – the last utility in New York to do so. It is expected to reduce the incidents and length of tree-related outages, which is an area of particular concern to NYSEG customers, as documented in the 2018 Storm Report published by the PSC on the Company's failure to restore service in a timely manner. The expenditure on vegetation management is an important and long overdue commitment and investment, but we have concerns about ratepayers shouldering the costs of these long overdue investments, and of paying to "catch up" on the Company's decision to defer prudent maintenance and operations expenditures. Consequently, we support the Public Utility Law Project's testimony that provided a mechanism for achieving full cycle management while lowering costs to ratepayers. We also respectfully request the Commission to modify the Joint Proposal to include measures, whether through incentives or penalties, to ensure NYSEG uses the vast majority of whatever increase is finally arrived at for vegetation management, rather than allow the Company to redirect that spending to other unnecessary spending or exporting it to its parent company in Spain. The Company has a duty to provide reliable service, which it has failed for our constituents and its other customers on numerous occasions over time.

During such a difficult economic period, we urge the PSC to reject this Joint Proposal and its double-digit rate increases, proposal to increase fixed monthly customer charges for electricity and gas, and its general failure to take into account the harmful economic impacts upon our constituents and districts.

Sincerely,



Shelley B. Mayer



Peter B. Harckham