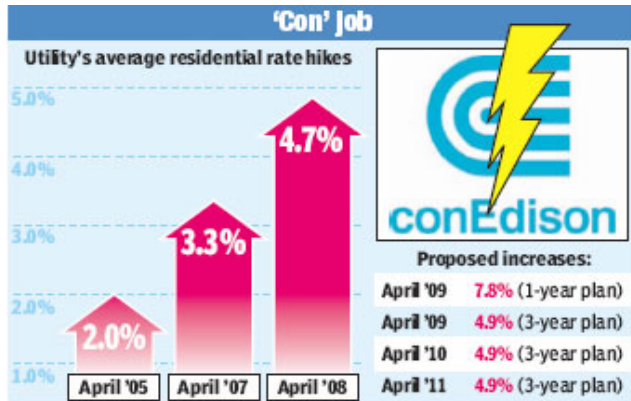


# NEW YORK POST

## SHOCKER! CON ED EYEING RATE HIKES

By BILL SANDERSON

May 10, 2008 -- Con Ed wants to plug into your wallet again, seeking three straight years of 4.9 percent electric-rate increases from residential customers after more than a decade of lax state regulation has left big questions about how the company's money is spent.



If Con Ed gets its way, a typical residential customer paying \$78.90 per month would pay \$84.26 in April 2009, \$89.99 in April 2010 and \$96.11 starting in April 2011.

If the state Public Service Commission won't OK a three-year deal, Con Ed bosses are offering a Plan B: A one-year hike that would raise that typical \$78.90 bill by 7.8 percent, to \$85.05 next April.

But those figures belie the reality buried in the fine print of New Yorkers' electric bills: Con Ed is asking for a revenue boost way bigger than the numbers say.

That's because the state only regulates Con Ed's charges for maintaining the wires that bring electricity to your home. The cost of actual electricity is separate, and it rises or falls depending on prices of oil, natural gas and other energy sources.

When electricity-generating costs are factored out, the three-year rate increase would boost Con Ed's yearly revenue from electric-delivery charges by \$557 million, or 13.1 percent, in the first year.

The one-year increase would bring a bigger short-term delivery charge windfall of \$654 million, or 15.4 percent.

Con Ed's rate filing begins an 11-month review process, in which elected officials and public interest groups will mount opposition to the plan.

Even before last month's average 4.7 percent electric rate hike kicked in, Con Ed customers already paid the highest residential electricity rates of any utility in the 48 contiguous states with more than 50,000 customers.

And state data showed that Con Ed's charges were 63 percent higher than those paid by people who live 60 miles north of Manhattan.

The company's proposal yesterday brought the usual condemnations from elected officials who say Con Ed mispends customer money, and the PSC does a poor job of regulating it.

"The last rate hike wasn't justified, so obviously one a couple of weeks later that is even bigger certainly isn't justified," said Assemblyman Michael Gianaris, a Democrat whose district in western Queens was hit by a nine-day blackout in 2006.

State investigators blamed the blackout on Con Ed bungling. Gianaris said giving the company more money wouldn't improve service. "I can understand that we need money to fix the grid and make sure everything works right," Gianaris said. "But Con Ed has proven itself inept at spending the money." Con Ed officials insist they properly spend customer money. But no one can say so for sure. That's because for 15 years, the PSC ignored a law requiring regular audits of Con Ed's capital spending on such items as cables, transformers and other equipment. After city officials complained last summer, the PSC decided to resume its audits.