

2025
Rate Case Filing



July 2025

Agenda

Revenue Drivers

Electric Operations

Electric Capital

Gas Capital

Gas Operations

Customer Service

Clean Energy

Tariffs and Rates

Rate Case Fundamentals

Electric Capital & Operations

Sustain **safe, reliable, and resilient electric service**; enhance system responsiveness; and mitigate risks from environmental and operational challenges. Replace aging system infrastructure and increase system capacity to **support the service territory economic development and states' energization targets.**

Gas Capital & Operations

Deliver dependable and **secure gas service** while meeting quality, safety, and environmental targets in support of **broader clean energy objectives.**

Customer Service

Improve **customer engagement and experience**, streamline billing and interactions, reduce arrears, and support vulnerable customers with **modernized service delivery.**

Clean Energy

Clean Energy - energy efficiency, EV adoption, advanced load forecasting, and grid flexibility to support renewable energy expansion and **meet emerging clean energy targets.**

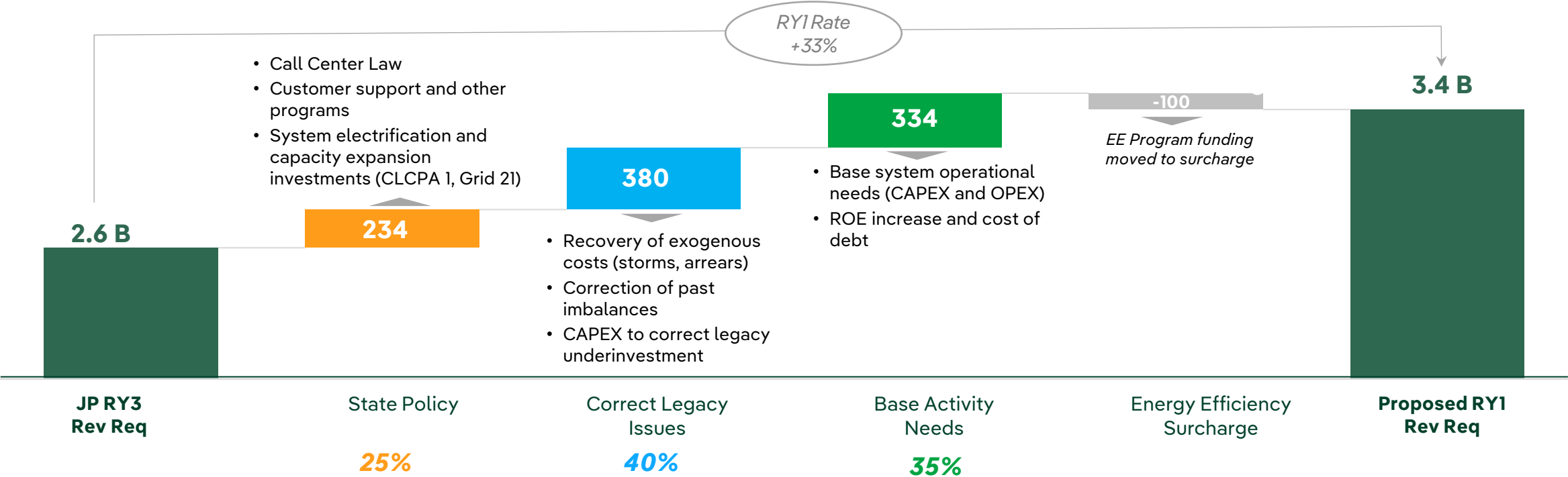
Tariffs and Rate Design

Ensure tariffs are maintained and aligned with regulatory requirements through **rigorous compliance, transparent communication, and proactive stewardship.**

- ✓ Obtain contemporary recovery of costs to improve and stabilize credit metrics to investment grade levels
 - ✓ Adjusts operational performance metrics requirements to Company & system reality
- ✓ Obtain funding for ongoing operations capital investments and Transformational initiatives

Projected RY1 Rate Evolution Drivers

Revenue Requirement \$M

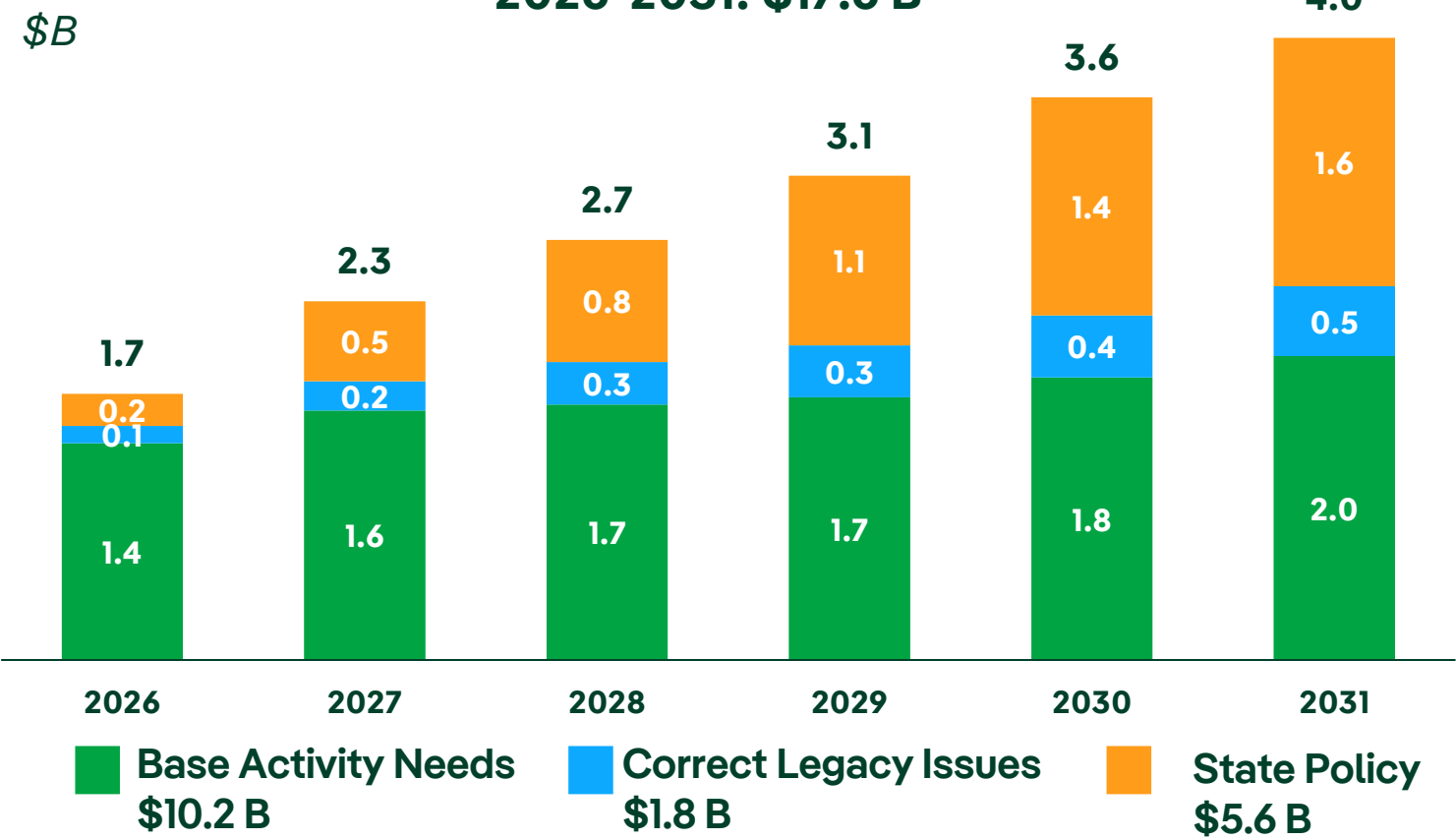


Testimony provided four additional data years. A 5-year rate plan results in a 12% annual growth average rate.

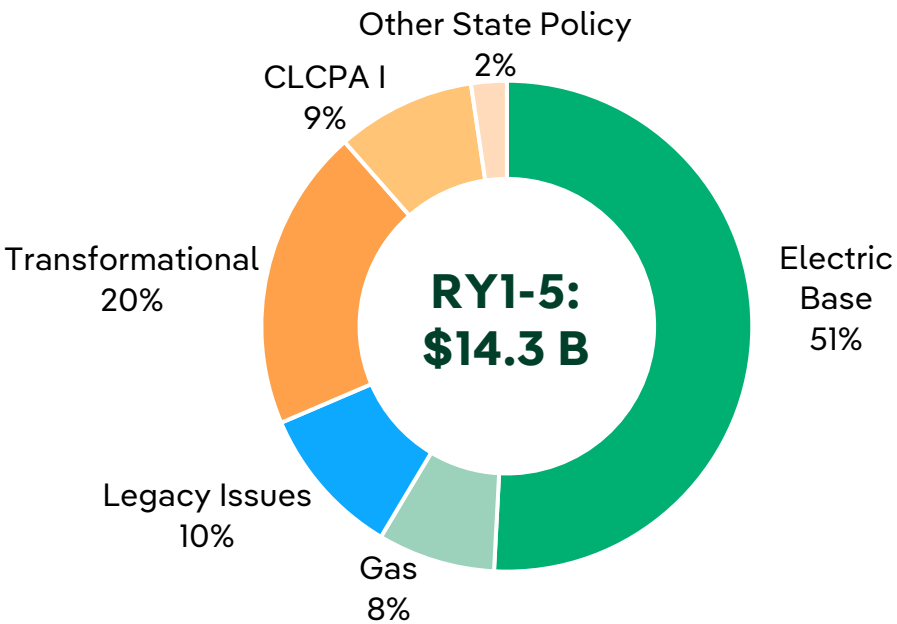
Rate Case Investments

\$17.6 B investments from 2026 to 2031, with \$14.3 B during the 5-year proposed rate period

By Calendar Year
2026-2031: \$17.6 B



5-Year Rate Period



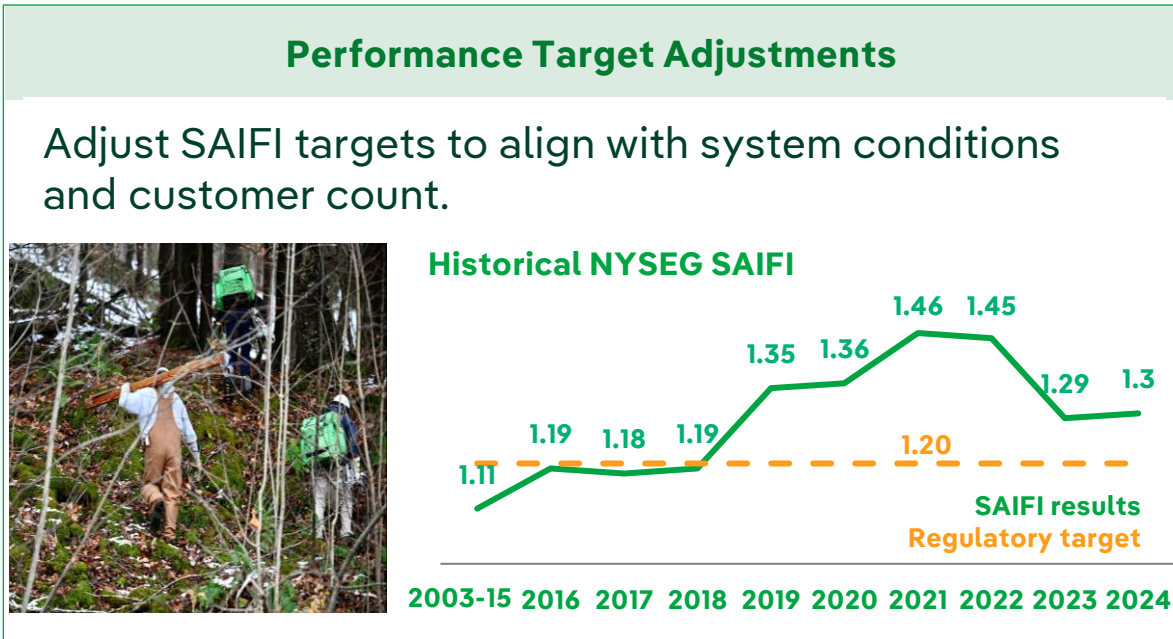
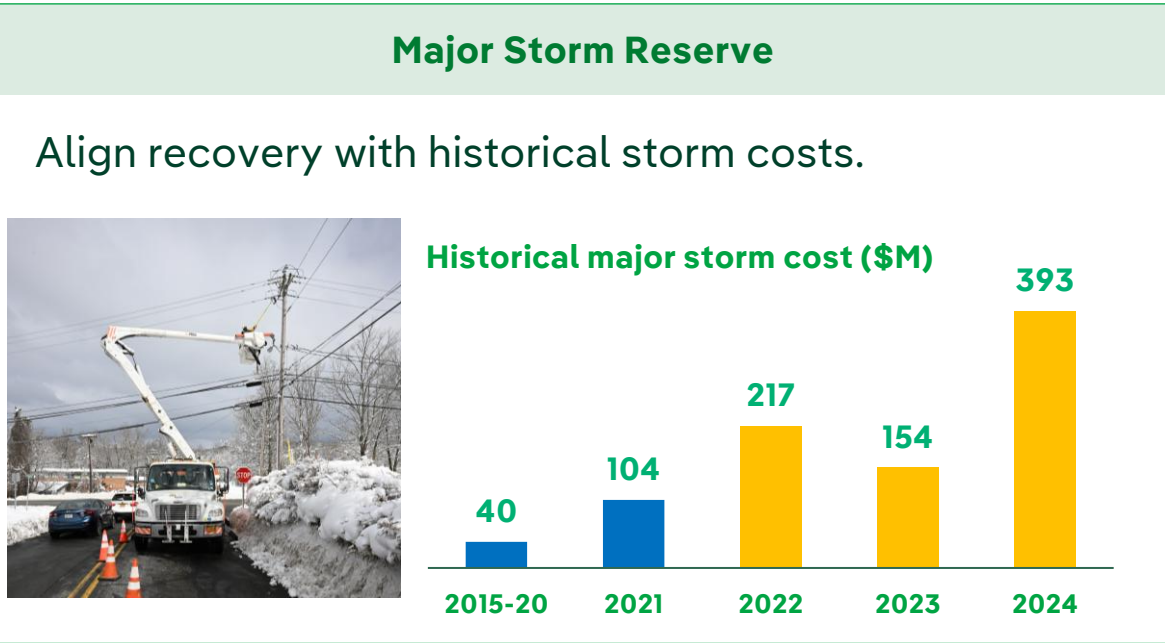
Sustain safe, reliable, and resilient electric service; enhance system responsiveness; and mitigate risks from environmental and operational challenges.

Vegetation Management

Reclamation and Danger Tree Programs to protect customers from decaying trees causing outages. Mitigates severe & currently unabated tree encroachment for 180,000 customers. Transition to a systemwide 6-year trimming cycle for NYSEG customers to have same level statewide line clearance standards.

Maintenance of Transmission Line

Routine maintenance ensures critical transmission facilities are not exposed to tree contacts and are compliant with NERC standards.



Electric Capital

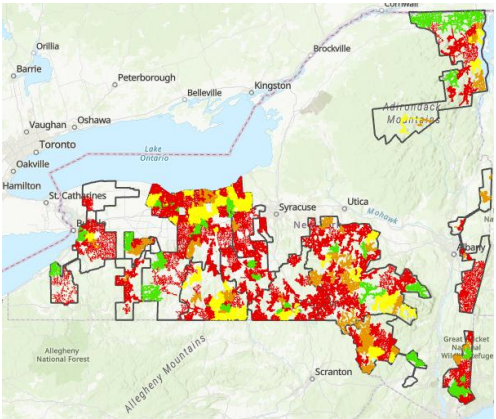
Replace aging system infrastructure and increase system capacity to support the service territory economic development and states' energization targets

Asset Condition	Upgrades in infrastructure to mitigate equipment failures and reduce customer outage exposure.
Reliability	Addresses immediate capacity needs across the territory with targeted upgrades to reduce outages in historically affected areas.
Resiliency	Deploy automation devices to accelerate service restoration, coupled with upgrades that enhance redundancy resiliency.
Transformational	Comprehensive Transmission and Distribution system enhancements to prepare the grid for New York State’s electrification and clean energy transition.
CLCPA 1	Advancing CLCPA Transmission and Substation CLCPA 1 projects to enable integration of clean energy sources.

Aging Infrastructure Compromises Reliability Quality



System capacity limitations to accommodate demand for new load and connections



Gas Capital and Operations

Deliver dependable and secure gas service while meeting quality, safety, and environmental targets in support of broader clean energy objectives.

Mandatory, Reliability, Asset Condition	Investments for safe, reliable, and adequate gas system. Testimony does not include Management Audit recommendation to accelerate and increase Leak Prone Pipe replacements at an incremental cost of ~\$1B through 2030 (~75% increase over total period proposed Gas Capital Plan).
Meter Relocation	Relocating meters outdoors enhances safety for field crews and customers, while improving accessibility and overall customer experience.
Residential Methane Detectors	Enhance public and customer safety by enabling faster, proactive leak detection and response.
PMTT Sampling & Remediation Cost Recovery	Funding enables the Companies to carry out remediation efforts that enhance system safety.
Integrity Management	Increasing regulations in support of improved system integrity and safety.

Customer Service

Improve customer engagement and experience, streamline billing and interactions, reduce arrears, and support vulnerable customers with modernized service delivery.

Enhanced Customer Support	Increase funding for the Energy Affordability Program (EAP), improve call center operations (including 24x7 emergency support), boost outage notification enrollment, and increase digital options.
Performance Realignment	Revise customer service performance indicators and revenue adjustments to incentivize improved performance.
System Modification	Replace the aging Customer Care System and increase funding to support economic development programs.
Unified Digital Overall	Implement a comprehensive digital strategy that integrates self-service channels, omnichannel engagement, and full AMI installation to deliver real-time data, seamless transactions, and improved billing.
Credit & Collections Improvements	<div>Modify methodologies and programs to reduce arrears and uncollectible amounts.</div> <div><div><div>NYSEG-RG&E Amount Overdue (\$M)</div><div><div>130</div><div>243</div></div><div><div>2020</div><div>2025</div></div></div><div><div>x1.85</div></div></div>



Clean Energy Implementation

Accelerate the clean energy transition by enhancing energy efficiency, EV adoption, advanced load forecasting, and grid flexibility to support renewable energy expansion and meet emerging clean energy targets.

Energy Efficiency, Building Electrification, & EV Programs	Supports building electrification, reduces energy consumption, EV charging infrastructure development and managed charging. Energy efficiency moved to surcharge.
Energy Storage	Enables continued operation of existing energy storage projects.
Advanced Load Forecasting	Enables more precise planning for future load growth to enable electrification.
Strategic Planning Efforts	Long-term gas plan and DSIP produces long term strategic plans for grid enhancement and gas decarbonization.
Electrification Tariff	Provides communities with the ability to fund and advance system upgrades to enable electrification.



Headcount Projections

Adding 325 employees in RY1 to support service to customers and enhance operations responsiveness, totaling 570 in the proposed 5-year period

Electric Operations



281 in the 5-year period

Gas Operations



146 in the 5-year period

Customer Service



143 in the 5-year period

Total headcount contingent on the applicability of recent Call Center Legislation. The figures represented above do not include staffing needs to comply with the law.

Ensure tariffs are maintained and aligned with regulatory requirements through rigorous compliance, transparent communication, and proactive stewardship.

Revenue Allocation and Rate Design	Allocate revenue to the various service classes and design rates using input from the Embedded Cost of Service Studies and the Marginal Cost of Service Studies.
Energy Efficiency and Building Electrification	Rates being designed for the proposed rate year will not include Energy Efficiency program costs. They are being moved to a surcharge per Commission Order.
Tariff changes in Support of proposals made by other panels	Tariff language updated to support Electrification Project Tariff as proposed by the Clean Energy Panel, RAM updates as proposed by Revenue Requirement panel, Bill Rendering as proposed by Customer Service, Dual Fuel Requirement as proposed by Revenue Allocation and Rate Design
Clarifications and Removal of Obsolete Language	Revisions to tariff language to clarify provisions and to remove provisions that are no longer applicable

Proposed Filing Average Monthly Bill Impacts



A multi-year settlement would lessen customer bill impacts and provide price stability

NYSEG	Units	Current Rates	Proposed	Increase \$ Amount	Delivery Bill % Increase	Total Bill % Increase
SC1- Electric	600 kWh	\$140.29	\$173.41	\$33.12	34.7%	23.6%
SC1- Residential Gas	83 therms	\$100.07	\$133.64	\$33.57	48.1%	33.5%

RG&E	Units	Current Rates	Proposed	Increase \$ Amount	Delivery Bill % Increase	Total Bill % Increase
SC1- Electric	600 kWh	\$126.73	\$159.74	\$33.01	39.5%	26.0%
SC1- Residential Gas	83 therms	\$84.84	\$103.71	\$18.87	34.3%	22.2%

Notes:

- 600 kWh are used as a statewide estimate of residential electric usage in a month
- 83 therms are used as an estimate for monthly average usage
- Total bill impacts are based on total billed charges including delivery, supply and surcharges and exclude taxes
- Delivery bill impacts are based on delivery charges and surcharges and excludes taxes

Our Purpose

The proposed plan responds to residents', businesses', and state leaders' requests for expansion of electrical grid and complies with state energy requirements

- ✓ **Complies with NYS laws and policy mandates**
- ✓ **Covers legacy costs associated with storm restoration and customer arrears**
- ✓ **Modernizes the grid for increased capacity and resiliency**
- ✓ **Adds 1,100 jobs in New York State**



Thank You