SHAWYN PATTERSON-HOWARD, MPA

Mayor

City Hall, One Roosevelt Square Mount Vernon. NY. 10550 (914) 665-2362 – Fax: (914) 665-6173 MALCOLM CLARK
Chief of Staff
KHENDRA DAVID
Deputy Chief of Staff

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City Council City Hall 1 Roosevelt Square Mount Vernon, NY 10552

## **Retaining Special Counsel for Con Edison Rate Case**

Dear Honorable City Council Members,

As you are aware, Con Ed's rates have climbed considerably in the past three years and many residents are being surprised by the amount of their recent bills arriving in the mail. Unfortunately, this may be just the beginning. Con Edison is currently in the last year of a three-year settlement, to increase rates annually for gas and electric rates in the NYC and Westchester region. Con Ed has recently submitted a petition to the Public Service Commission (PSC) to begin the approx. 11-month process to have the PSC increase their gas and electric rates by around 20% as January 1, 2026.

Earlier this month, my Chief of Staff met with the Westchester Municipal Offices Association which highlighted the work that Rye City, Port Chester and Rye Brook have done with special counsel Joel Dichter who has jointly worked with all three of our municipalities for decades on water utility rate increase matters before the PSC. The understanding about this Con Edison rate hike is that is a specialty area and Joel has extensive experience working on Con Ed, water, and many other utilities rate cases.

As Mayor, it's my belief that at this stage it is essential to engage local government officials to establish a unified and strategic legal approach in advocating for a reduction in the proposed rate increases. While we acknowledge that many of our state representatives and municipal colleagues have been vocal in opposition of the Con Ed rate increases, a coordinated effort among a coalition of municipalities before the PSC will strengthen our position.

It is worth noting that so far Westchester municipalities have <u>not</u> been at the table as part of the current Con Ed rate request discussions. We have missed a key date already and don't want to continue to stay behind the ball on this issue as public and evidentiary hearings are soon to begin. Often the PSC pauses the evidentiary hearing process to allow for potential settlement discussions. We will only have a seat at the table for those settlement discussions if we are represented and actively participate in the proceeding.

I have received an overview of the rate case process and attached it to this letter, emphasizing the need for a deep dive into the following three key component areas: how much revenue Con Ed can collect, how it is allocated among the classes and customers and how the rates are designed in each class. For example, Con Ed is asking for an 18% electric rate increase, but residential delivery customers would see a 25% hike.

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Based on discussion with other municipalities there is a growing coalition to utilize Mr. Dichter services. He has agreed to cap the charges for his services and an expert witness retained to address the unfair increase and allocation to Westchester residential customers to no more than \$100,000 which would be <u>split equally</u> among all the participating municipalities. His summary memorandum and proposal are attached.

We would proceed in this manner if at least 20 municipalities agree to be represented by his firm (example: \$100,000 max cost / 20 municipalities = \$5,000 each) with the cost to be expensed from the Office of the Mayor's Budget "Contract Outside Expense" A1210.405. Individual municipal costs will drop further if more than 20 municipalities participate. Please note that this is **not civil litigation**-Mr. Dichter would be representing the participating municipalities at the administrative rate case and any settlement discussions to strengthen the challenge against the rate increase before the PSC and allow us to be part of active settlement discussions.

If you have any questions, I am available to discuss this critical issue as we must fight to keep Con Edison rates lower for our constituents who are already burdened by rising inflation and cost of living increases in our community.

In Service,

Shawyn Patterson-Howard, MPA Mayor, City of Mount Vernon

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