

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

May 28, 2024

SUBJECT: Proposed Major Revenue Increase for Rate Year Ending March 31,
2026
Case Nos.: 24-E-0322 and 24-G-0323
Utility: Niagara Mohawk Power Corporation (NMPC or the Company)
Date Filed: May 28, 2024 Final Suspension Date: April 30, 2025

Case 24-E-0322 – NMPC - Electric

NMPC is requesting an increase in annual electric revenues of approximately \$525 million (20 percent increase in delivery revenues or 11 percent in total revenues) for the rate year ending March 31, 2026. NMPC estimates that the requested increase in delivery revenues will result in a monthly bill increase of \$18.92 (23.4 percent increase in delivery bill or 15.3 percent increase in total bill) for a typical residential customer using 625 kilowatt-hours (kWh).

Case 24-G-0323 – NMPC - Gas

NMPC is requesting an increase in annual gas revenues of approximately \$148 million (28 percent increase in delivery revenues or 15 percent increase in total revenues) for the rate year ending March 31, 2026. NMPC estimates that the requested increase in delivery revenues will result in a monthly bill increase of \$18.34 (28.9 percent increase in delivery bill or 20.2 percent increase in total bill) for a typical residential heating customer using 78 therms.

The Company states that the increases are driven largely by non-controllable costs such as inflation, safety and compliance mandates, energy efficiency and market conditions related to return and interest rates. Further, the Company stresses it has taken steps to mitigate impacts by identifying efficiencies that reduced the combined electric and gas revenues increases by more than \$100 million. The rate filing prioritizes three main areas of investment. First: delivering safe and reliable service through electric grid modernization; making investments in line and substations to strengthen transmission facilities and improve climate resiliency; utilize integrated energy planning to promote electrification, support non-pipe alternatives and share information about heat pumps; and continued replacement of leak prone pipe and services by maintaining current replacement rates. Second: meeting customer needs by expanding energy affordability programs; focusing on disadvantaged communities; and eliminating credit card fees. Third:

advancing the goals of the Climate Leadership and Community Protection Act by; proposing transmission upgrades to support renewable energy; investing in energy storage and non-wires alternatives; including electric vehicle highway projects with over 100 Megawatts of capacity in fast-charges across 300 miles of the interstate-90 corridor; promoting energy efficiency and demand response programs; enhancing its non-pipeline alternative framework; and proposing to electrify its light-duty fleet by 2030.

Rate cases are a primary instrument of government regulation of these industries. Interested persons may intervene and become parties in a utility company's rate case. Typical intervenors include: industrial, commercial and other large-scale users of electricity; public interest groups; representatives of residential, low-income and elderly customers; local municipal officials; and, dedicated advocacy groups. The applicable legal requirements require the Public Service Commission (PSC) to render a decision within 11 months after a major rate case is filed. Rate cases proceed in an entirely public and open process.