

## **NYSEG and RG&E, with Multiple Parties, File Proposed Rate Case Settlement with NY Public Service Commission**

*Proposed settlement will enable more than \$5B investments addressing aging infrastructure, strengthening storm resiliency, and meeting New York’s clean energy goals*

*Rate increases for the first year are approximately \$10 per month for average residential customer, lower than original rate proposal*

*Will help ensure customers continue to receive safe and reliable service at rates which remain among the lowest in the state*

**BINGHAMTON, N.Y. — June 14, 2023** — New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E), subsidiaries of AVANGRID, Inc. (NYSE: AGR), today announced that they have filed a proposed rate case settlement with the New York Public Service Commission (NYPSC). The proposed agreement, based on the facets of the Companies’ “Reliable Energy New York,” plan, represents more than a year of work with stakeholders, including customer groups, industry, environmental interests and the New York State Department of Public Service, with more than eight parties signing all or portions of the settlement that determines how the Companies can best meet the needs of customers and New York State’s goals, while maintaining some of the lowest energy rates in the state. While the Companies’ original proposal requested a 22 percent total increase, negotiations with the parties to the rate case resulted in compromises which will have lower impacts

to customer bills. This proposed settlement provides the means to best serve customers in light of historic inflation, the ongoing recovery from the COVID pandemic, supply chain issues, and new state requirements regarding clean energy.

“Our mission is to serve our customers; raising rates is an unavoidable step we must take to continue to meet customers’ current and future energy needs. The cost of doing business has increased, as has the investment necessary to realize the clean energy future our stakeholders expect,” said Patricia Nilsen, president and CEO of NYSEG and RG&E. “Our customers want improvements to our aging grid for better reliability and to meet their household energy needs, as well as to support business development in New York, including more electric vehicles on the road and decreases in natural gas usage. These investments will help us realize those goals.”

While the filing announced today comes after years of minimal to no rate increases, RG&E and NYSEG have continued to make extensive and costly investments in the grid system to provide customers with reliable electric and gas service.

Details of the joint proposal comprise a three-year rate plan that includes the following benefits to customers:

#### **More than \$2.1 Billion in Investments in Infrastructure**

- The filed settlement reflects a significant investment in NYSEG and RG&E’s electric infrastructure by investing more than \$750 million in NYSEG and \$270 million in RG&E Asset Condition Replacement programs to replace and upgrade poles – of which one in 10 needs replacement due to age – wires, and substations on the transmission and delivery system throughout the state from 2023 through 2026.
- As the state continues to face harsh and more frequent storms, and to reduce the frequency and duration of outages, the settlement provides for investments of \$241 million at NYSEG and \$58 million at RG&E over the three-year period to improve the resiliency of the Companies’ electric distribution systems and deployment of grid automation tools to create an intelligent system to detect outages and more quickly restore power.
- The settlement calls for increased funding for tree trimming, from \$57 million to \$66 million annually at NYSEG, where 51 percent of all outages are caused by trees. As part of NYSEG’s funding, \$21 million will focus on creating a regular trim cycle for areas where trees pose increased risk for outages in the NYSEG territory. It will also move NYSEG toward the

industry standard of trimming all divisions over a regular multi-year cycle. RG&E, where 20 percent of all outages are caused by falling limbs or trees, will increase tree trimming to \$11 million. RG&E has already been on a regular cycle prior to this settlement, but these increases include funding to address so-called danger trees outside of rights-of-way, including ash trees, which are dying out. This funding will also support local jobs.

- The Companies' commitment to infrastructure investment will support 231 direct and 716 indirect jobs and is projected to have a more than \$600 million impact to New York's GDP.

### **More than \$1 Billion in Investments to Focus on Serving Our Customers**

- The settlement includes \$27 million at NYSEG and \$23 million at RG&E for bill assistance programs for fixed and/or low-income customers. The Companies will also expand protections for customers during extreme temperature periods.
- The settlement will allow the Companies to add a total of 231 additional, full time employees at NYSEG and RG&E, which will enhance customer service, field operations, and more aspects of how they deliver safe, reliable service across their service territories.

### **More than \$900 Million of Investments in Support of NYS Climate Goals**

- Programs totalling \$694 million to enhance system capabilities and accommodate increased renewable resource utilization and grid upgrades such as transmission projects to support NY's Climate Leadership and Community Protection Act (CLCPA).
- \$250 million in energy efficiency and heat pump incentive programs across both Companies.
- A five-year pilot program in cooperation with participating municipalities and the New York Power Authority for dimming capability for street lights in select areas to save energy and lessen costs for municipalities that opt in.

### **Rate and Bill Impact**

The joint proposal represents a three-year agreement between the Companies and signatory parties and, if approved, will help ensure customers continue to receive safe and reliable services at rates which are among the lowest in the state. The Companies' last rate settlement kept increases

moderate due to the extreme adversity people were facing during the pandemic, but these measures led to the build up of significant financial pressure to the Companies.

The total percentage bill impacts for electric and natural gas customers are summarized below.

Business	Rate Year 1	Rate Year 2	Rate Year 3
NYSEG Electric	6.6%	7.3%	8.2%
NYSEG Natural Gas	2.0%	2.0%	2.1%
RG&E Electric	5.0%	5.3%	5.7%
RG&E Natural Gas	3.4%	3.6%	3.9%

The total monthly bill impacts for average residential electric and natural gas customers are summarized below.

Business	Rate Year 1	Rate Year 2	Rate Year 3
NYSEG Electric	\$9.61	\$8.87	\$11.34
NYSEG Natural Gas	\$3.92	\$2.34	\$3.61
RG&E Electric	\$7.32	\$5.98	\$6.90
RG&E Natural Gas	\$4.50	\$4.32	\$4.30

Parties supporting the settlement, in whole or in part, include the **staff of the New York State Department of Public Service, Convergent, IBEW Local Union 10, Multiple Intervenors, New York Power Authority, Nucor Steel Auburn, Inc., Utility Intervention Unit, and Walmart Inc.**

**Dan Addy, IBEW Local 10, business manager/financial secretary and Jeffrey Sondervan, IBEW Local 36, president/business manager/financial secretary said,** "IBEW Local 10 and 36 support the joint proposal, "Reliable Energy NY." The investments in this proposal are critical to upgrading our aging infrastructure and will allow the men and women of IBEW at NYSEG and RG&E to continue to provide safe and reliable service for customers while securing hundreds of jobs."

**Ryan Silva, executive director the New York State Economic Development Council said,** "NYSEG/RG&E are a critical part of New York's economic development ecosystem. Their team facilitates large scale industrial attraction, community revitalization initiatives, and adaptive reuse projects through financial support, new infrastructure, and superb technical assistance. They have also invested billions of dollars to help bring clean renewable energy onto our electric grid. Their success is directly tied to the long term economic success of New York as they're invaluable partners to the NYSEDC and our members."

**Heather Mulligan, president and CEO, The Business Council of New York State said,** “The Business Council of New York State commends NYSEG, RG&E, the Department of Public Service, and signatory parties on reaching an agreement on the Companies’ “Reliable Energy NY,” Plan. In order to reach the state’s clean energy goals, it is essential that utilities are given the necessary resources while also taking into account impacts on customers and businesses across the state.”

**Mariko McDonagh Meier, Convergent Energy and Power’s chief revenue officer said,** “We applaud NYSEG and RG&E for allowing the market to identify energy storage solutions that will best support a more cost-effective, sustainable, and reliable electric grid. Convergent looks forward to continuing to partner with utilities in New York State to deliver energy storage systems that benefit our customers their and communities.”

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**About NYSEG:** New York State Electric & Gas Corporation (NYSEG) is a subsidiary of Avangrid, Inc. Established in 1852, NYSEG operates approximately 35,000 miles of electric distribution lines and 4,500 miles of electric transmission lines across more than 40% of upstate New York. It also operates more than 8,150 miles of natural gas distribution pipelines and 20 miles of gas transmission pipelines. It serves approximately 894,000 electricity customers and 266,000 natural gas customers. For more information, visit [www.nyseg.com](http://www.nyseg.com).

**About RG&E:** Rochester Gas and Electric Corporation (RG&E) is a subsidiary of Avangrid, Inc. Established in 1848, RG&E operates approximately 8,800 miles of electric distribution lines and 1,100 miles of electric transmission lines. It also operates approximately 10,600 miles of natural gas distribution pipelines and 105 miles of gas transmission pipelines. It serves approximately 378,500 electricity customers and 313,000 natural gas customers in a nine-county region in New York surrounding the City of Rochester. For more information, visit [www.rge.com](http://www.rge.com).

**About Avangrid:** Avangrid, Inc. (NYSE: AGR) aspires to be the leading sustainable energy company in the United States. Headquartered in Orange, CT with approximately \$41 billion in assets and operations in 24 U.S. states, Avangrid has two primary lines of business: networks and renewables. Through its networks business, Avangrid owns and operates eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Through its renewables business, Avangrid owns and operates a portfolio of renewable energy generation facilities across the United States. Avangrid employs more than 7,500 people and has been recognized by JUST Capital in 2021, 2022 and 2023 as one of the JUST 100 companies – a ranking of America’s best corporate citizens. In 2023, Avangrid ranked first within the utility sector for its commitment to the environment. The company supports the U.N.’s Sustainable Development Goals and was named among the World’s Most Ethical Companies in 2023 for the fifth consecutive year by the Ethisphere Institute. Avangrid is a member of the group of companies controlled by Iberdrola, S.A. For more information, visit [www.avangrid.com](http://www.avangrid.com).



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