

Summary Information Sheet for O&R Electric & Gas Joint Proposal

On November, 9, 2018, O&R, NYPSC staff and other parties entered into a Joint Proposal, which is subject to NYPSC approval, with respect to the company's rates for electric and gas delivery service.

Electric and Gas Rate Filing (2019-2021)

(\$ millions)	Electric			Gas		
	Rate Change*	Rate Base**	Capital Expenditure	Rate Change*	Rate Base**	Capital Expenditure
2019	\$ 9	\$878	\$112	\$(6)	\$454	\$53
2020	12	906	131	1	476	51
2021	12	948	108	1	498	52

*To mitigate customer bill impacts over the term of the Rate Plan, the designed electric and gas revenue changes are proposed to be implemented with the phase in option. Without the phase in option, the revenue changes are \$13M, \$8M and \$6M for electric and \$(8)M, \$4M and \$1M for gas, in RY1, RY2 and RY3, respectively.

**Average Rate Base; amounts reflect estimated impact of tax reform

Key Drivers of Year-One Rate Increase (\$ millions)

	Electric	Gas
New infrastructure investment	\$13	\$5
Pension and employee benefits	1	3
Property and other taxes	-	(1)
Depreciation changes	1	1
Energy efficiency expenses	7	1
Other operating expenses	7	3
Lower financing costs	(1)	-
Amortization of deferred credits and costs	1	(2)
Sales revenue change	6	(8)
Income Taxes	(15)	(9)
Sub-total	\$20	\$(7)
Expiring temporary debit	(7)	(1)
Total	\$13	\$(8)

Rate of Return and Equity Ratio

Return on equity9.0%

Equity ratio.....48%

Test Year

- Historic test year: Twelve months ended September 30, 2017
- Rate Plan: January 1, 2019 – December 31, 2021
- New rates in effect January 1, 2019

Other Major Provisions

- True up of costs of pension and other employee benefits, low income, property taxes, storms (electric), the impact of new laws, and environmental site investigation and remediation.
- Deferral as a regulatory liability of the revenue requirement impact (i.e., return on investment, depreciation and income taxes) of the amount, if any, by which actual average net plant balances for categories of plant are less than amounts reflected in rates for the respective category.
- Continuing the revenue decoupling mechanism for electric and gas service.
- Continuing provision for recovery of cost of purchased power, gas, and fuel.
- Rate increase was mitigated by the Tax Cut and Jobs Act's reduced corporate income tax rate.
- Incorporates expanded low income customer discounts in rates.
- Increases certain electric and gas safety, reliability and customer service performance metrics and associated revenue adjustments.
- Implements Earning Adjustment Mechanisms ("EAMs") allowing the Company to achieve positive incentives for its efforts related to electric and gas energy efficiency, system peak reduction, utilization of distributed energy resources, and beneficial electrification.

Copies of the November 9, 2018 Joint Proposal are available at [Rate Plan Information](#) or from Con Edison Investor Relations:

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