



New Start Date for Reactive-Power Charge

The date when commercial customers with a monthly demand between 1,000 kW and 1,499 kW will begin paying for reactive power has been delayed until January 1, 2011. If your facility or operation falls into this category, the postponement provides additional time to understand the new charge and to take steps to reduce the use of reactive power. For information on how reactive power will be billed, see your October, November, and December 2010 invoices.

The delay does not apply to customers with induction generators above 1,000 kW and customers with newly constructed facilities with an expected peak demand of more than 1,000 kW, who received reactive power charges on their October 2010 bill as originally scheduled.

The new reactive-power charge will be implemented in three phases.

PHASE ONE

- Customers with induction generators above 1,000 kW
- Customers with newly constructed facilities with an expected peak demand of more than 1,000 kW
- Billing started in October 2010 if power factor was less than 95%
- **Customers are only charged for reactive power if their power factor is less than 95%**

PHASE TWO

- Customers with monthly demand between 1,000 and 1,499 kW
- Billing will begin January 1, 2011 if power factor is less than 95%
- **Customers are only charged for reactive power if their power factor is less than 95%**

PHASE THREE:

- Customers with a monthly demand between 500 and 999 kW
- Customers with induction generators that meet 500 and 999 kW thresholds
- Billing will start in October 2011 if power factor is less than 95%
- **Customers are only charged for reactive power if their power factor is less than 95%**

Customers with peak demand of 1,500 kW or greater will start to be billed for reactive power six months after kVar-capable metering has been installed and communications established. If your facility falls into this category we will send a letter advising of the start date. Reactive-power bill information will appear on your invoices three months before you will be charged for using reactive power.

Reactive Power and the State's Energy Plan

The 2009 New York State Energy Plan calls for a 15 percent reduction in electricity use by 2015. The Public Service Commission and state utilities determined that charging large commercial and industrial enterprises for reactive power was necessary to meet the goal. Reactive power magnetizes electric motors, transformers, and other equipment. Each year a significant amount is lost from the grid, costing hundreds of millions of dollars annually and increasing greenhouse gas emissions.

Reactive Power: No Such Thing as Too Much Info

Our **Customer Care for Energy Management** website provides information that can assist you in reducing your facility's use of reactive power. Log on to conEd.com/customer-care to:

- Calculate your reactive-power costs.
- Access hourly wholesale energy prices for the next 24-hour day issued by the New York Independent System Operator.
- Create reports that provide a detailed analysis of energy use, demand, and patterns.
- View your facility's metered interval data.
- Customize the site based on your preferences – save reports for future use, have reports updated and e-mailed to you automatically, manage employees and others who use the site, set automatic demand and pricing e-mail alerts, and more.

Customer Care for Energy Management also can be used to manage changes in your electric bill resulting from mandatory hourly pricing. You will need a user ID and password for the site. To obtain one, e-mail IntervalMetering@coned.com.

A comprehensive users' guide and online help section are available once you have logged into **Customer Care for Energy Management**.

We'll Pay You to Conserve

Conserve electricity and earn cash: that's what happens if you participate in one of our demand-response programs. We offer several programs with a variety of terms and features. Promise to reduce your use of electricity when we ask and you'll earn the largest incentives, or volunteer on a case-by-case basis for a smaller incentive. To learn more, visit conEd.com/dr or call 1-877-870-6118.

Energy Efficiency Pays

Commercial and industrial electric and gas customers who install energy-efficient equipment can get incentives to help pay the installation costs. Visit coned.com/energyefficiency or call 1-877-797-6347.

Convert to Gas, Earn Rebates

Our Customized Gas Incentive program offers rebates or incentives to eligible residential, commercial, and industrial customers who convert from oil to clean, efficient, and environmentally friendly gas heating. Discover the many advantages of natural gas. Call 1-800-643-1289 or visit conEd.com/naturalgas for more information.

We're Here to Help

Whether you're about to be charged for using reactive power or moving to hourly pricing, we are ready to help. If you have questions about reactive power or hourly pricing, send an e-mail to IntervalMetering@conEd.com.