CONSOLIDATED EDISON CO. OF NEW YORK,
New York, N.Y., April 16, 1968.

Hon. EMILIO Q. DADDARIO,
Chairman, Subcommittee on Science Research and Development, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. DADDARIO: Your letter of March 8th asked that we provide your subcommittee with certain data relative to the economics of air pollution control. The information requested is submitted herewith in the hope that it will be useful in your studies. If you have questions or need additional data, please do not hesitate to so advise us.

Inasmuch as equipment to remove sulfur oxides from flue gas has not been sufficiently developed to permit its use on large generating units, we have been utilizing low sulfur fuels to reduce sulfur oxide emissions. During the past fuel year (April 1, 1967–March 31, 1968) we have been converting to coal and oil with a sulfur content of 1%, which compares with a permissible sulfur content of 2.2% under the New York City Air Pollution Control Code. Prior to this change, our coal cost approximated 33¢/MM Btu; it is now more than 37¢/MM Btu. Our residual oil formerly cost 33¢/MM Btu; with a 1% sulfur content, it also has now increased to more than 37¢/MM Btu. Based on estimated generation for the year 1968, these increases will add about $15,000,000 to the electric system fuel bill and about $2,000,000 to our central steam system fuel costs. Our electric and steam rates include an adjustment for changes in the cost of fuel whereby customers' bills reflect such modifications.

We estimate that the annual bill of our average residential customer will be increased about 1.5% in 1968 because of utilization of 1% sulfur fuel. For an average space heating customer the increase will be approximately 2.5%.

The Company has been investigating possible sources and prices for oil with less than 1% sulfur content. However, the cost of such oil is not well enough established to draw conclusions at this time.

It should also be noted that, over the years, Consolidated Edison has made capital expenditures of approximately $126,000,000 on various phases of air pollution control. Within another year this total will amount to about $150,000,000, of which approximately $3,500,000 will have been spent to accommodate the low sulfur oil. Although the customers' bills must eventually reflect the costs of supplying service, it is not possible to pin-point readily the effect of such capital expenditures on individual rates.

Very truly yours,

W. DONHAM CRAWFORD.