



Lori A. Cole
Manager - Regulatory & Tariffs

June 29, 2017

VIA ELECTRONIC FILING

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 15-E-0283 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Electric Service - Filing for Approval of Electric Rate Options

Dear Secretary Burgess:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), are being transmitted for filing in accordance with the New York State Public Service Commission Order Approving Electric and Gas Rate Plans in Accord With Joint Proposal (the "Order"), issued and effective June 15, 2016, in the above-referenced proceeding. This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) of the New York State Public Service Commission's ("PSC" or "Commission") Codes, Rules and Regulations (16 NYCRR Appendix 7-H). The proposed effective date for the tariff leaves is January 1, 2018.

P.S.C. No. 120 – Electric, Schedule for Electric Service

Leaf No. 117.46.27, Revision 2
Leaf No. 117.46.28, Revision 2
Leaf No. 117.46.29, Revision 1
Leaf No. 117.46.30, Revision 0
Leaf No. 117.46.31, Revision 0
Leaf No. 117.46.32, Revision 0
Leaf No. 125.1, Revision 3
Leaf No. 135, Revision 18
Leaf No. 170.2, Revision 3
Leaf No. 208.1, Revision 9
Leaf No. 224, Revision 4
Leaf No. 263.1, Revision 3
Leaf No. 301.1, Revision 3



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Purpose of Filing

The Company is proposing to implement electric rate options on a pilot basis for the Energy Smart Community (“ESC”) Project in Ithaca, N.Y. and the surrounding towns of Tompkins County. The ESC Project approved by the Commission¹ includes among other things, deployment of advanced metering infrastructure (“AMI”) to approximately 12,000 customers.

Overview of Filing

The ESC rate options included in this filing were guided by a Collaborative with interested parties.² Meetings were held on April 25, 2017 and May 25, 2017 to review the proposed options. The Collaborative discussed objectives for rate design in the ESC, which include: provide customers with time-varying rate options; measure customer adoption and impacts of time-varying rates that focus on system efficiency; empower customer with more ability to influence their bill; and assess needs for data access and customer communications. The Collaborative also reviewed principles regarding the design of the rate options, such as: providing customers with one new rate option; offering the rate options on an opt-in basis; providing customers with the opportunity to respond to prices and make decisions on their energy usage; conveying a strong price signal that focused on the system peak; ensuring the rates would be reflective of cost; and designing the rates to be revenue neutral by service class.

The ESC rate options are offered on a voluntary (i.e., opt-in) basis. A customer that elects an ESC rate option will be required to have an AMI meter, also known as a smart meter, installed. Customers may enroll in an ESC rate option through the ESC customer portal and marketplace for each eligible account. After one year, the customer may continue on the ESC rate option until the rate ends or they enroll in another rate option. If a customer discontinues their participation in the ESC rate option, the customer will not be allowed to re-enroll for 12 months from the date that they cancelled their participation.

The ESC rate options consist of time-differentiated delivery rates and hourly supply rates. The proposed delivery time periods for each service classification are provided in Attachment A. A customer that enrolls in an ESC rate option will be able to choose their electricity supply from either NYSEG or an Energy Services Company. The time-differentiated delivery rates have been developed on a revenue neutral basis by service class as set forth in Case 15-E-0283 for Rate Year 2 and Rate Year 3. Delivery revenues associated with the ESC rate options will be reconciled through the Revenue Decoupling Mechanism. Supply revenues associated with the ESC rate options will be reconciled through the Supply Adjustment Charge incorporated into the Company’s monthly Supply Charge.

The Company shall commence billing pursuant to the ESC rate options with the first subsequent monthly billing cycle following the installation of the smart meter.

¹ Order, pgs. 59-60.

² Appendix W, pg. 3 of the Company’s Joint Proposal approved per the Order states: “A collaborative to address the testing of new rate designs will be instituted upon the implementation of Advanced Metering Infrastructure (“AMI”) and related equipment in the Energy Smart Community Project.”

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The customer will receive a bill with an adjustment based on the difference between the bill amount of the ESC rate option and the bill amount of what the customer would have paid under their otherwise applicable service classification. The adjustment can be either a credit or a charge.

Customers will be required to pay all the surcharges applicable to what they would have paid pursuant to the otherwise applicable service classification. Customers participating in the ESC rate options that are eligible for net metering shall be subject to the net metering provisions of P.S.C. 120, as applicable. Customers participating in the ESC rate options will also be subject to any further determinations made in Case 15-E-0751 *In the Matter of the Value of Distributed Energy Resources*³ pertaining to the implementation and compensation of distributed energy resources.

Newspaper Publication

Pursuant to Ordering Clause No. 6 of the Order, newspaper publication of the pilot program will be provided in newspapers having general circulation in Ithaca and Tompkins County.

A State Administrative Procedure Act Notice is enclosed for publication in the State Register.

Company Contacts

If there are any questions concerning this filing, please call Sue Morien at (585) 771-4741 or me at (607)762-8710.

Respectfully submitted,



Lori A. Cole

Enclosures

³ Case 15-E-0751 *et al.*, *In the Matter of the Value of Distributed Energy Resources et al.*, Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters (issued March 9, 2017).

Energy Smart Community Rate Options
Delivery Time Periods
Attachment A

Residential Service Classes	Months	On-Peak Period	Off-Peak Period
SC 1 - Residential	All	4 PM - 6 PM, Monday-Friday *	All other weekday hours, all weekend hours
SC 8 - Residential Small TOU	All	4 PM - 6 PM, Monday-Friday *	All other weekday hours, all weekend hours
SC 12 - Residential Large TOU	All	4 PM - 6 PM, Monday-Friday *	All other weekday hours, all weekend hours
Non-Residential, Non-Demand Class	Months	On-Peak Period	Off-Peak Period
SC 6 – General Service, Secondary	All	2 PM - 6 PM, Monday-Friday *	All other weekday hours, all weekend hours
Non-Residential, Small/Medium Demand Classes	Months	On-Peak Period	Off-Peak Period
SC 2 - General Service, Secondary	June - September October - May	2 PM - 6 PM, Monday-Friday * All Hours	All other weekday hours, all weekend hours N/A
SC 3P - General Service, Primary	June - September October - May	2 PM - 6 PM, Monday-Friday * All Hours	All other weekday hours, all weekend hours N/A
Non-Residential, Large Demand Classes	Months	On-Peak Period	Off-Peak Period
SC 7-1 Secondary	June - September October - May	2 PM - 6 PM, Monday-Friday * 7 AM - 10 PM, Monday-Friday *	All other weekday hours, all weekend hours All other weekday hours, all weekend hours
SC 7-2 Primary	June - September October - May	2 PM - 6 PM, Monday-Friday * 7 AM - 10 PM, Monday-Friday *	All other weekday hours, all weekend hours All other weekday hours, all weekend hours
SC 7-3 Subtransmission	June - September October - May	2 PM - 6 PM, Monday-Friday * 7 AM - 10 PM, Monday-Friday *	All other weekday hours, all weekend hours All other weekday hours, all weekend hours

*With the exception of the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.