



December 19, 2013

VIA ELECTRONIC FILING

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

Re: Case 07-M-0548 – Proceeding on Motion of the Commission regarding an Energy Efficiency Portfolio Standard

Case 10-M-0457 – In the Matter of the System Benefits Charge IV

Dear Secretary Burgess:

Pursuant to the New York State Public Service Commission's ("PSC's" or "Commission's") Orders in the above-referenced proceedings, New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E", "the Companies"), hereby transmit for filing the enclosed statements to become effective January 1, 2014. The System Benefits Charge portion of the surcharge is updated in accordance with the Order Continuing the System Benefits Charge and Approving an Operating Plan for a Technology and Market Development Portfolio of System Benefits Charge Funded Programs ("SBC IV Order"), in Case 10-M-0457, issued and effective October 24, 2011. The Energy Efficiency Portfolio Standard portion of the surcharge is updated in accordance with the Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule ("EEPS Order"), in Case 07-M-0548, issued and effective October 25, 2011.

PSC No. 120 – Electricity, Schedule for Electric Service  
SBC Statement No. 11

PSC No. 121 – Electricity, Schedule for Electric Service Street Lighting  
SBC Statement No. 11

PSC No 19 – Electricity, Schedule for Electric Service  
SBC Statement No. 18

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PSC No 18 – Electricity, Schedule for Electric Service Street Lighting  
SBC Statement No. 18

PSC No. 87 – Gas, Schedule for Gas Service  
SBC Statement No. 9

PSC No. 88 – Gas, Schedule for Gas Service Transportation  
SBC Statement No. 9

PSC No. 16 – Gas, Schedule for Gas Service  
SBC Statement No. 9

This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and regulations (16 NYCRR Appendix 7-H).

The Companies have performed the calculations for determining the rates to be effective on January 1, 2014.

**SBC IV Rate Design:**

In accordance with the SBC IV Order, SBC electric revenue is to be collected in the manner shown in Appendix B, Table 1 of the SBC IV Order.

**NYSEG Electric**

As provided in its June 1, 2013 reconciliation report for NYSEG, the Company under-collected \$899,723 for the cumulative period July 1, 2006 through December 31, 2012. This amount was carried forward in the calculation of the January 1, 2014 rate. The Company started with the collection level established by the SBC IV Order and adjusted that amount to account for the reconciliation of SBC III revenues for the time period July 1, 2006 through December 31, 2012 plus the projected under-collection for 2013 of \$84,432. This resulted in a total collection amount of \$6,917,499 for January 1 through December 31, 2014.

That amount was then divided by the kWh sales forecast subject to the SBC for January through December 2014, resulting in a SBC IV surcharge of \$0.000481 per kWh.

**RG&E Electric**

As provided in its June 1, 2013 reconciliation report for RG&E, the Company under-collected \$350,216 for the cumulative period July 1, 2006 through December 31, 2012. This amount was carried forward in the calculation of the January 1, 2014 rate. The Company started with the collection level established by the SBC IV Order and adjusted that amount to account for the reconciliation of SBC III revenues for the time period July 1, 2006 through December 31, 2012 plus the projected under-collection for 2013 of \$212,946. This resulted in a total collection amount of \$3,510,247 for January 1 through December 31, 2014.

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That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2014, resulting in a SBC IV surcharge of \$0.000490 per kWh.

**EEPS Rate Design:**

The EEPS Order provides for the continuance of the EEPS surcharges through December 31, 2015 as outlined below.

**Electric**

The surcharge calculation for each Company includes amounts from EEPS Orders issued on October 23, 2009 and January 4, 2010 as well as the October 25, 2011 Order.

**NYSEG Electric**

As provided in its June 1, 2013 reconciliation report for NYSEG, the Company under-collected \$317,074 for the cumulative period October 1, 2008 through December 31, 2012. This amount was carried forward in the calculation of the January 1, 2014 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2012 plus the projected over-collection for 2013 of \$92,467. This resulted in an updated collection amount of \$44,143,933 for January 1 through December 31, 2014.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2014, resulting in a surcharge of \$0.003062 per kWh for the EEPS portion of the SBC.

**RG&E Electric**

As provided in its June 1, 2013 reconciliation report for RG&E, the Company under-collected \$270,906 for the cumulative period of October 1, 2008 through December 31, 2012. This amount was carried forward in the calculation of the January 1, 2014 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2012 plus the projected under-collection for 2013 of \$424,060. This resulted in an updated collection amount of \$23,987,356 for January 1 through December 31, 2014.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2014, resulting in a surcharge of \$0.003347 per kWh for the EEPS portion of the SBC.

**Gas**

The Energy Efficiency programs collected through the gas SBC are to be collected in the manner shown in Table 8 of Appendix 2 of the EEPS Order. In addition, the surcharge calculation for each Company also includes amounts from other EEPS Orders issued on October 23, 2009 and January 4, 2010.

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NYSEG Gas

As provided in its June 1, 2013 reconciliation report for NYSEG, the Company under-collected \$330,336 for the cumulative period October 1, 2008 through December 31, 2012. This amount was carried forward in the calculation of the January 1, 2014 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2012 plus the projected under-collection for 2013 of \$172,349. This resulted in an updated collection amount of \$6,878,549 for January 1 through December 31, 2014.

That amount was then divided by the therm sales forecast subject to the SBC for the January through December 2014, resulting in a SBC of \$0.012166 per therm.

RG&E Gas

As provided in its June 1, 2013 reconciliation report for RG&E, the Company under-collected \$655,499 for the cumulative period October 1, 2008 through December 31, 2012. This amount was carried forward in the calculation of the January 1, 2014 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2012 plus the projected over-collection for 2013 of \$154,647. This resulted in an updated collection amount of \$10,104,058 for January 1 through December 31, 2014.

That amount was then divided by the therm sales forecast subject to the SBC for the January through December 2014, resulting in a SBC of \$0.020671 per therm.

Please direct any questions pertaining to this filing to Carolyn Sweeney at (585) 771-4809 or Patti Beaudoin at (607) 762-7061.

Very truly yours,



Lori A. Cole  
Manager, Regulatory & Tariffs  
Rates & Regulatory Economics

Enclosures