



July 18, 2013

VIA ELECTRONIC FILING

Honorable Jeffrey C. Cohen, Acting Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: New York State Electric & Gas Corporation's Tariff Filing to Reflect New Pole Attachment Rates

Dear Acting Secretary Cohen:

The enclosed tariff leaf, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company") is transmitted for filing in compliance with the requirements of the New York Public Service Commission (the "Commission"), and Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

Below is the revised tariff leaf to be effective November 1, 2013:

P.S.C. No. 119

Leaf No. 150, Revision 2

Purpose of the Filing

The Company is filing a tariff amendment to update the pole attachment rental rate applicable to cable television ("CATV") system operators, and competitive local exchange carriers ("CLEC") to reflect 2012 actual data, consistent with the federal formula for cable television attachments previously adopted by the Commission.¹

Overview of the Filing

In the Commission's Order Granting in Part Petitions for Rehearing and/or Clarification, issued and effective July 16, 2002² (the "Order"), all utilities were authorized to file new pole

¹ Cases 01-E-0026 et al., New York State Electric and Gas Corporation et al. – Rates, Order Directing Utilities to Cancel Tariffs (issued January 15, 2002).

² Cases 01-E-0026 et al., New York State Electric & Gas Corporation et al. – Rates, Order Granting, In Part, Petitions for Rehearing and/or Clarification, issued July 16, 2002, p. 6.

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attachment rates, with updated costs, in line with the FCC cable television methodology. The Order further stipulated that the cable rates would apply to both CATV and CLEC attachments³.

NYSEG's current CATV / CLEC pole attachment rental rate is \$8.51, and was last updated on July 1, 1995. The Company hereby proposes to increase the rate to \$12.14. The Company has estimated that the annual revenue impact will be \$460,000.

NYSEG, with the exception of two adjustments, has computed the requested rate in compliance with the federal formula for cable television attachments. The Company excluded the collections associated with the Temporary State Assessment Surcharge (TSAS) from the General and Administrative component of the carrying charge, because this surcharge is fully funded by electric customers and therefore should not be part of the CATV calculation. In addition, the Company used a 5 year average of FERC Account 593 (Maintenance of Overhead Distribution Lines – Electric) in the calculation of the Maintenance component of the carrying charge in order to smooth recent spikes in that account balance.

Also included with this filing is Attachment 1, which shows the calculation used to determine the proposed CATV / CLEC rates, and Attachment 2, which is the additional back-up for the calculation.

Publication

The Company respectfully requests the requirement of 66(12)(b) of the Public Service Law requiring newspaper publication be waived, as the Company is directly notifying all cable and telecommunication system operators doing business within its service area of this filing (see Attachment 3 for the list).

If there are any questions concerning this filing, please contact me at (607) 762-8710 or Patti Beaudoin at (607) 762-7061.

Respectfully submitted,



Lori A. Cole
Manager - Regulatory & Tariffs
Rates and Regulatory Economics Department

Enclosures

cc: List of CATV & CLECs (Attachment 3)

³ Ordering Clause No. 3 of the Order.

2013 NYSEG CATV / CLEC Pole Attachment Rate Calculation		
Data thru Year		2012
Description	Amount	Source
a) Attachment Space Occupancy	1	Default minimum
b) Usable Space on an average NYSEG Pole	13.50	FCC Default
c) Unusable Space on an average NYSEG Pole	24.00	FCC Default
d) Average NYSEG Pole height	37.50	FCC Default
e) Net Pole Investment	118,052,054	From Calculation 1
f) Total Number of Poles	574,664	From Calculation 8
g) Cost per Pole	205	= e / f
h) Net Cost of Bare pole	174.61	= g * .85
i) Carrying Charge Rate	93.89%	From Calculation 3
k) Current Rate	8.51	

CATV / CLEC Rate Calculation		
Rate = $\text{Space Occupied} / \text{Usable Space} * \text{Net Cost of Bare Pole} * \text{Carrying Charge Rate}$		
Rate =	12.14	

Comment 1

Net Pole Investment		Calculation 1
Description	Amount	Source
a) Gross Pole Investment	481,771,260	2012 NYSEG fercform tab 204207 line 64 acct 364
b) Accumulated depreciation	266,143,817	2012 Powerplant Reserve Ledger Acct 364
c) Accumulated deferred taxes	97,575,389	From Calculation 2
Net Pole Investment	118,052,054	= (a - b - c)

Back up - B

Accumulated deferred taxes (Poles)		Calculation 2
Description	Amount	Source
a) Gross Pole Investment	481,771,260	2012 NYSEG fercform tab 204207 line 64 acct 364
b) Total Gross Plant (Electric)	3,407,263,175	2012 NYSEG fercform tab 200201 line 8, col c Total Electric Plant in Service
c) % Gross Pole Investment vs Gross Plant	14.1395%	= a / b
d) Total Accumulated Deferred Income Taxes (Electric)		
(d1) ADIT (db acct)	161,199	2012 NYSEG fercform tab 234 line 8 Total Electric Acct 190
(d2) ADIT Accel-Amortization liabilities	-	2012 NYSEG fercform tab 272273 line 8 Total Electric Acct 281
(d3) ADIT Other Property liabilities	516,555,413	2012 NYSEG fercform tab 274275 line 2 col (k) Acct 282
(d4) ADIT Other liabilities	173,694,749	2012 NYSEG fercform tab 276277 line 9 col (k) Acct 283 Total Electric
e) Total deferred Taxes	690,088,963	= d1 + d2 + d3 + d4
Accumulated deferred taxes (Pole)	97,575,389	= d * c

2013 NYSEG CATV / CLEC Pole Attachment Rate Calculation			Comment 1
Data thru Year		2012	
Carrying Charge Rate			Calculation 3
Description	Amount	Source	
a) Administrative Rate	8.25%	From Calculation 4	
b) Maintenance Rate	47.43%	From Calculation 5	
c) Depreciation Rate	10.57%	From Calculation 6	
d) Taxes Rate	16.39%	From Calculation 7	
e) Return Rate	11.25%	FCC Default	
Carrying Charge Rate	93.89%	= a + b + c + d + e	

Administrative Carrying Charge			Calculation 4
Description	Amount	Source	
a) Total General & Administrative Expenses	75,564,738	2012 NYSEG fercform tab 320323 line 197 col (b)	Back up - C
b) Gross Plant Investment (Electric)	3,407,263,175	2012 NYSEG fercform tab 200201 line 8 Total Utility Plant In Service	
c) Accumulated Depreciation (Electric)	1,801,082,224	2012 NYSEG fercform tab 200201 line 22 Total Electric Depreciation	
d) Accumulated Deferred Taxes (Electric)	690,088,963	From Calculation 2.(e)	
Administrative Carrying Charge	8.25%	= a / (b - c - d)	

Maintenance Carrying Charge			Calculation 5
Description	Amount	Source	
a) Maintenance of Overhead Lines Account 593	88,747,227	2012 NYSEG fercform tab 320323 line 149 col (b) Acct 593	Back up - A
b) Investments in Overhead Line Acct 364, 365, 369			
- Investments in Pole Account 364	481,771,260	2012 NYSEG fercform tab 204207 line 64 col (g) Acct 364	
- Investments in Overhead Conductor Account 365	483,956,912	2012 NYSEG fercform tab 204207 line 65 col (g) Acct 365	
- Investments in Service Account 369	158,214,439	2012 NYSEG fercform tab 204207 line 69 col (g) Acct 369	
	<u>1,123,942,611</u>		
c) Depreciation of Investments in acct 364, 365, 369			
- Depr. Pole Investments in acct 364	266,143,817	2012 Powerplant Reserve Ledger Acct 364	Back up - B
- Depr. Overhead Conductor Investments in acct 365	281,003,722	2012 Powerplant Reserve Ledger Acct 365	Back up - B
- Depr. Service Investments in acct 369	162,028,119	2012 Powerplant Reserve Ledger Acct 369	Back up - B
	<u>709,175,658</u>		
d) Gross Plant (Electric)	3,407,263,175	2012 FERC Form 1 (p200 line 8 column c) Total Electric	
e) Total Acc.Def. Inc. Taxes (Electric)	690,088,963	From Calculation 2	
f) Accumulated Deferred Income Taxes related to account 364, 365, 369	227,637,359	= (b / d) * e	
Maintenance Carrying Charge	47.43%	= (a / (b - c - f))	

New York State Electric & Gas Corporation
Attachment 1

2013 NYSEG CATV / CLEC Pole Attachment Rate Calculation			Comment 1
Data thru Year		2012	
Depreciation Carrying Charge			Calculation 6
Description	Amount	Source	
a) Gross Pole Investment	481,771,260	2012 NYSEG fercform tab 204207 line 64 col (g) Acct 364	
b) Net Pole Investment	118,052,054	From Calculation 1	
c) Depreciation Rate for Pole	2.59%	2012 NYSEG fercform tab 337 line 47 col e	
Depreciation Carrying Charge	10.57%	= (a / b) * c	

Taxes Carrying Charge			Calculation 7
Description	Amount	Source	
a) Account 408.1 Taxes other than Income Tax	130,149,514	2012 NYSEG fercform tab 114117 line 14 acct 408.1	
b) Account 409.1 Federal Income tax	10,198,188	2012 NYSEG fercform tab 114117 line 15 acct 409.1	
Account 409.1 Other Income Tax	8,172,416	2012 NYSEG fercform tab 114117 line 16 acct 409.1	
	18,370,604		
c) Account 410.1 Prov. Deferred Income Tax - db.	344,063,971	2012 NYSEG fercform tab 114117 line 17 acct 410.1	
d) Account 411.4 Investment Tax Credit	-	2012 NYSEG fercform tab 114117 line 19 acct 411.4	
e) Account 411.1 Prov. Deferred Income Tax - Cr.	268,314,089	2012 NYSEG fercform tab 114117 line 18 acct 411.1	
f) Subtotal (a + b + c + d - e)	224,270,000		
g) Gross Plant Investment (Total Plant)	4,530,404,976	2012 NYSEG fercform tab 200201 line 8 col b	
h) Accumulated Depreciation (Plant)	2,247,708,921	2012 NYSEG fercform tab 200201 line 22, col b	
i) Total defered Taxes (Total Plant)			
(i1) ADIT (Acc Def Inc Tax)	(2,908,294)	2012 NYSEG fercform tab 234 line18 col c	
(i2) ADIT Accel-Amortization liabilities	-	2012 NYSEG fercform tab 272273 line 8 col c	
(i3) ADIT Other Property liabilities	702,367,036	2012 NYSEG fercform tab 274275 line 9 acct 282	
(i4) ADIT Other liabilities	209,419,695	2012 NYSEG fercform tab 276277 line 19 acct 283	
	914,695,025	- i1 + i2 + i3 + i4	
j) Net Utility Plant in Service	1,368,001,030	g - h - i	
Taxes Carrying Charge	16.39%	f / j	

Determination of Total Number of NYSEG Equivalent Poles			Calculation 8
Description			
a) Total Distribution Poles	803,439		
b) Sole Owned Poles	345,898		
c) Joint Owned poles 33% Ownership	26		
d) Joint Owned poles 50% Ownership	457,515		
e) Percent Sole Owned (B / A)	43.05%		
f) Percent Joint Owned (C +D)/ A	56.95%		
g) No. of NYSEG Equivalent Poles	574,664		

Back up for the CATV / CLEC Calculation**A) Average of Account 593 "Maintenance of Overhead Lines"**

2008	71,484,159	Ferc Form 1 (2008) Page 320-323
2009	50,633,838	Ferc Form 1 (2009) Page 320-323
2010	64,676,810	Ferc Form 1 (2010) Page 320-323
2011	123,424,096	Ferc Form 1 (2011) Page 320-323
2012	133,517,234	Ferc Form 1 (2012) Page 320-323
5 Year Average	88,747,227	

B) Accumulated Depreciation as of 12/31/12**Source**

Poles (Account 364)	266,143,817	Powerplant Reserve Ledger
Overhead Conductor and Devices (Account 365)	281,003,722	Powerplant Reserve Ledger
Services (Account 369)	162,028,119	Powerplant Reserve Ledger

C) Account 928 Regulatory Commission Expenses 12/31/12

Temporary State Assessment Surcharge (TSAS)	24,710,394	Excluded from A&G Total Amount
Other	<u>3,542,035</u>	
Total	28,252,429	Ferc Form 1 (2012) Page 320-323

CATV/CLEC COMPANIES

ADAMS CATV INC
AXCESS ONTARIO
BEST WEB CORP
BLUE RIDGE CABLE TELEVISION INC
CABLE COMMUNICATIONS OF WILLSBORO
CABLEVISION OF CONN
CABLEVISION OF WESTCHESTER
CH COMMUNICATIONS LLC
CHARTER COMMUNICATIONS
CHOICE ONE OF NEW YORK INC
COMCAST CABLE
DEV AUTHORITY OF THE NORTH DANC
DFT LOCAL SERVICE CORP.
DOWNSVILLE COMM ANTENNA SYS INC
DTC CABLE
ECC TECHNOLOGIES
EMPIRE PIPELINE
EMPIRE STATE INDEPENDENT NETWORK
EMPIRE VIDEO SERVICES CORP
FELCHAR MANUFACTURING CO
FIBERSPARK INC.
FIBERTECH NETWORKS LLC
FINGER LAKES TECHNOLOGIES GROUP
GREENLIGHT NETWORKS LLC
HAEFELE TV INC
HAMILTON CO CABLEVISION
HANCOCK VIDEO
HUDSON VALLEY DATANET LLC
INTELLIFIBER NETWORKS
ION HOLD CO
KEENE VALLEY VIDEO INC
MARGARETVILLE TELEPHONE
MID HUDSON CABLEVISION
MILESTONE COMM OF NY (52)
OORAH
OQUAGA LAKE CABLE (50)
PEG BANDWIDTH
PRIMELINK INC
RCN NEW YORK COMMUNICATION
SLIC NETWORK SOLUTIONS
SOUTHERN CAYUGA COUNTY CABLEVISION
SOUTHERN TIER NETWORK INC
SUSCOM CABLE
SWAIN COMMUNITY CABLE
TIME WARNER CABLE
TIME WARNER TELECOM - NY
TVC ALBANY INC
TW TELLECOM
VERMONT TELEPHONE COMPANY
WESTELCOM NETWORK INC
CABLE TELECOMMUNICATIONS ASSOCIATION OF NEW YORK (CTANY)

PRIVATE COMPANIES

ALLEGHENY REHABILITATION ASSOC
BUFFALO CRUSHED STONE
CORNING HOSPITAL
FARM RESORT INC
FELCHAR MANUFACTURING CO
GAULT CHEVROLET COMPANY
LIVINGSTON MANOR CSD
ODESSA MONTOUR CSD
ROCK OAK LLC
SCOTT AVIATION CORP
TOWN OF NORTH SALEM
TOWN OF PAWLING
UNIVERSAL INSTRUMENTS CORP
VILLAGE OF CLYDE
VILLAGE OF MARATHON MUNICIPAL
VILLAGE OF WHITNEY POINT