



December 28, 2015

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 15-M-0252 – In the Matter of Utility Energy Efficiency Programs

Case 14-M-0101 - Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision

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, 2016. 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 portions of the surcharge are updated in accordance with the following Orders:

- 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;
- Order Adopting Regulatory Policy Framework and Implementation Plan ("February 2015 REV Order"), in Case 14-M-0101, issued and effective February 26, 2015;

- Order Authorizing Utility-Administered Gas Energy Efficiency Portfolios For Implementation Beginning January 1, 2016, (“June 2015 EE Tracker Order”) in Case No. 15-M-0252; and
- Order Extending Clean Energy Programs (“December 2015 CEF Order”), issued and effective December 11, 2015 (Cases 14-M-0094, 10-M-0457, 07-M-0548, 03-E-0188).

PSC No. 120 – Electricity, Schedule for Electric Service
SBC Statement No. 13

PSC No. 121 – Electricity, Schedule for Electric Service Street Lighting
SBC Statement No. 13

PSC No 19 – Electricity, Schedule for Electric Service
SBC Statement No. 20

PSC No 18 – Electricity, Schedule for Electric Service Street Lighting
SBC Statement No. 20

PSC No. 87 – Gas, Schedule for Gas Service
SBC Statement No. 11

PSC No. 88 – Gas, Schedule for Gas Service Transportation
SBC Statement No. 11

PSC No. 16 – Gas, Schedule for Gas Service
SBC Statement No. 11

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, 2016.

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, 2015 reconciliation report for NYSEG, the Company over-collected \$303,446 for the cumulative period July 1, 2006 through December 31, 2014. This amount was carried forward in the calculation of the January 1, 2016 rate. The Company started with the collection level established by the SBC IV Order and adjusted that amount to account for the projected under-collection for 2015 of \$180,859. This resulted in a total collection amount of \$12,860,776 for January 1 through December 31, 2016.

That amount was then divided by the kWh sales forecast subject to the SBC for January through December 2016, resulting in a SBC IV surcharge of \$0.000890 per kWh.

RG&E Electric

As provided in its June 1, 2015 reconciliation report for RG&E, the Company under-collected \$4,146 for the cumulative period July 1, 2006 through December 31, 2014. This amount was carried forward in the calculation of the January 1, 2016 rate. The Company started with the collection level established by the SBC IV Order and adjusted that amount to account for the projected under-collection for 2015 of \$196,532. This resulted in a total collection amount of \$6,315,236 for January 1 through December 31, 2016.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2016, resulting in a SBC IV surcharge of \$0.000878 per kWh.

EE Tracker and NYSERDA Energy Efficiency Program Surcharge (EEPS) Rate Design:

As outlined in the February 2015 REV Order, the June 2015 EE Tracker Order and guidance provided by Department of Public Service Staff ("Staff") on December 11, 2015, the current EEPS rate will be split into the (1) EE Tracker surcharge and (2) the NYSERDA Energy Efficiency Program surcharge.

The EE Tracker Surcharge will be comprised of the utility run energy efficiency programs and for 2016 will be maintained at the 2015 budget and target levels. Authorized budgets and targets are provided in Appendix C of the February 2015 REV Order and Appendix B of the June 2015 EE Tracker Order.

The NYSERDA Energy Efficiency Program Surcharge will be comprised of the NYSERDA EEPS programs and will be set based on the Collection and Transfer to NYSERDA Schedules established in Tables 3 and 7 of the October 25, 2011 EEPS Order.

The combination of the February 2015 REV Order, June 2015 EE Tracker Order, EEPS Order and December 2015 CEF Order provides for the continuance of the EEPS surcharges through December 31, 2016 as outlined below.

Electric

NYSEG Electric

Prior Period True Up:

NYSEG was under-collected by \$696,325 for the cumulative period October 1, 2008 through December 31, 2014. This was factored into the targeted collections for the year ending 12/31/15 which resulted in a forecasted over-collection of \$256,758.

EE Tracker Surcharge:

The REV Order set the amount to be collected in 2016 at \$17,035,451. That amount was then divided by the kWh sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.001179 per kWh for the EE Tracker portion of the SBC.

NYSERDA Energy Efficiency Program Surcharge:

The EEPS Order set the amount to be collected in 2016 at \$21,353,836. That amount was adjusted by the prior period true up for the variance in sales and forecasted amounts. The updated amount to be collected is \$21,097,078. This amount was then divided by the kWh sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.001460 per kWh for the NYSERDA Energy Efficiency portion of the SBC.

RG&E Electric***Prior Period True Up:***

RG&E was under-collected by \$539,246 for the cumulative period October 1, 2008 through December 31, 2014. This was factored into the targeted collections for the year ending 12/31/15 which resulted in a forecasted under-collection of \$639,818.

EE Tracker Surcharge:

The REV Order set the amount to be collected in 2016 at \$10,482,078. That amount was then divided by the kWh sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.001457 per kWh for the EE Tracker portion of the SBC.

NYSERDA Energy Efficiency Program Surcharge:

The EEPS Order set the amount to be collected in 2016 at \$10,304,310. That amount was adjusted by the prior period true up for the variance in sales and forecasted amounts. The updated amount to be collected is \$10,944,128. This amount was then divided by the kWh sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.001521 per kWh for the NYSERDA Energy Efficiency portion of the SBC.

Gas**NYSEG Gas*****Prior Period True Up:***

NYSEG was under-collected by \$27,144 for the cumulative period October 1, 2008 through December 31, 2014. This was factored into the targeted collections for the year ending 12/31/15 which resulted in a forecasted over-collection of \$524,007.

EE Tracker Surcharge:

The EE Tracker Order set the amount to be collected in 2016 at \$2,038,215. That amount was then divided by the therm sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.003960 per therm for the EE Tracker portion of the SBC.

NYSERDA Energy Efficiency Program Surcharge:

The EEPS Order set the amount to be collected in 2016 at \$4,190,785. That amount was adjusted by the prior period true up for the variance in sales and forecasted amounts. The updated amount to be collected is \$3,666,778. This amount was then divided by the therm sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.007125 per therm for the NYSERDA Energy Efficiency Program portion of the SBC.

RG&E Gas***Prior Period True Up:***

RG&E was over-collected by \$1,227,322 for the cumulative period October 1, 2008 through December 31, 2014. This was factored into the targeted collections for the year ending 12/31/15 which resulted in a forecasted over-collection of \$624,279.

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EE Tracker Surcharge:

The EE Tracker Order set the amount to be collected in 2016 at \$2,720,749. That amount was then divided by the therm sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.005433 per therm for the EE Tracker portion of the SBC.

NYSERDA Energy Efficiency Program Surcharge:

The EEPS Order set the amount to be collected in 2016 at \$4,018,920. That amount was adjusted by the prior period true up for the variance in sales and forecasted amounts. The updated amount to be collected is \$3,394,641. This amount was then divided by the therm sales forecast subject to the SBC for January through December 2016, resulting in a surcharge of \$0.006779 per therm for the NYSERDA Energy Efficiency portion of the SBC.

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
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Enclosures