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Lori A Cole
Manager – Regulatory and Tariffs

January 11, 2024

VIA ELECTRONIC FILING
Honorable Michelle L. Phillips
Secretary to the Commission
State of New York
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Phillips:

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 Appendix 7-H (electronic tariff filing system) to the New York State Public Service Commission's ("Commission") Codes, Rules and Regulations (16 NYCRR Appendix 7-H). This leaf is proposed to become effective on June 1, 2024.

P.S.C. No. 90 – Gas, Schedule for Gas Service
Leaf No. 90.6, Revision 16

Purpose of the Filing
The Company is proposing a revision to its tariff to extend the period of time used in the calculation of the Loss Factor for the Company's Lost and Unaccounted For Gas from five years to ten years.

Background
The Company calculates the Loss Factor based on recommendations provided for in the New York State Department of Public Service Staff White Paper on *Lost and Unaccounted for Gas*, issued August 23, 2011 ("Staff Whitepaper"). The Staff Whitepaper provided that the Loss Factor should be calculated using a five-year average and that the lowest tariff Factor of Adjustment (FOA) should be no lower than 1.000. Currently, in accordance with the guidance provided in the Staff Whitepaper, the Company's tariff would have the Company use a five-year average, ending August 31, 2023, to set the Loss Factor that is associated with the Company's reporting of Lost and Unaccounted For Gas.

The Company has calculated its Factor of Adjustment and all five years are below 0.000, which would indicate that NYSEG is delivering more gas than it has received. Two intensive system investigations into the phenomena have been performed in the past with no solid conclusion as to why this is occurring. According to the Staff Whitepaper and the Company's tariff, the Factor of Adjustment would be a factor of 1.000 or 0%. Normally, Energy Service Companies ("ESCOs") nominate gas to NYSEG's city gate,

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grossed up for system losses. With the 0% Loss Factor, ESCOs would nominate exactly what customers would use at the burner tip. There would be no loss factor incorporated, which means any actual losses incurred serving ESCO customers would be subsidized by non-ESCO customers. The Loss Factor also affects the calculation of the System Performance Adjustment.

Proposal

The Company is proposing to modify its tariff to calculate the Loss Factor based on a ten-year average instead of the current five-year average. Using a ten-year average produces a more reasonable result than a five-year average, because even though the Company's Loss Factor would be relatively low, the result is not 0%. This would allow for ESCOs to incorporate a Loss Factor into their nominations. Additionally, the calculation for the System Performance Adjustment would have an upper dead band in the event of a positive loss factor calculation.

Models showing the calculation of the Company's Loss Factor, using both a five-year average and a ten-year average are included as an attachment to this filing.

Publication

The Company respectfully requests the requirements of Section 66(12)(b) of the Public Service Law and 16 NYCRR §720-8.1 regarding newspaper publication be waived, as these changes can be communicated to the ESCOs through the Company's Gas Transportation Billing system.

A State Administrative Procedures Act Notice is attached for publication in the State Bulletin.

Company Contacts

If there are any questions concerning this filing, please call me at (607)644-8773.

Respectfully submitted,

Lori A. Cole

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Manager - Regulatory & Tariffs

Attachments