

..DID: 12990  
..TXT:

September 5, 2000

Janet H. Deixler, Secretary  
Executive Office - 14th Floor  
Public Service Commission  
State of New York  
3 Empire State Plaza  
Albany, New York 12223

Re: Case No. 00-G-0996

Dear Secretary Deixler:

The enclosed revised and original leaves, issued by New York State Electric & Gas Corporation ("NYSEG" or the "Company"), are transmitted for filing in compliance with the requirements of the Public Service Commission, State of New York.

|          |         |               |                   |
|----------|---------|---------------|-------------------|
| First    | Revised | Leaf No. 23   | to PSC No. 87 Gas |
| Fourth   | Revised | Leaf No. 24   | to PSC No. 87 Gas |
| Fifth    | Revised | Leaf No. 25   | to PSC No. 87 Gas |
| Second   | Revised | Leaf No. 26   | to PSC No. 87 Gas |
| Second   | Revised | Leaf No. 27   | to PSC No. 87 Gas |
| Original |         | Leaf No. 27.1 | to PSC No. 87 Gas |
| Original |         | Leaf No. 27.2 | to PSC No. 87 Gas |
| Third    | Revised | Leaf No. 59   | to PSC No. 88 Gas |
| Original |         | Leaf No. 59.1 | to PSC No. 88 Gas |
| Fourth   | Revised | Leaf No. 60   | to PSC No. 88 Gas |
| Second   | Revised | Leaf No. 61   | to PSC No. 88 Gas |
| Original |         | Leaf No. 61.1 | to PSC No. 88 Gas |
| Original |         | Leaf No. 61.2 | to PSC No. 88 Gas |

Effective October 1, 2000.

Proposed Revisions

NYSEG proposes to revise the requirements applicable to distillate fuel and human needs customers receiving Interruptible Sales Service, Service Classification No. 3 of PSC No. 87 Gas and Interruptible Transportation Service, Service Classification No. 2 of PSC No. 88 Gas (collectively "Interruptible Service"). The proposed revisions would require distillate fuel and human needs customers to have a ten day supply of alternate fuel on hand on November 1<sup>st</sup> of each year. In the event that a customer's physical facilities are insufficient to satisfy the requirement, the customer will be required to demonstrate, to NYSEG's satisfaction, that arrangements have been made to supply the difference between the on hand inventory and the ten day requirement. A Customer that fails to comply with the revised requirements will be assessed a ten percent premium on the otherwise applicable alternative fuel price. The premium would be retroactive from November 1<sup>st</sup> until such time as the customer is found to be in compliance.

Reasons for Proposed Revisions

The proposed revisions are being submitted in compliance with the Commission's Order Directing Utilities To File Revised Interruptible Gas Service Tariffs (the "Order"), issued August 24, 2000 in Case 00-G-0996.

Background

On June 21, 2000 the Commission proposed to require that jurisdictional utilities revise their procedures to help insure that interruptible customers are prepared for potential service interruptions. In addition, the Commission sought comments on their proposal to require interruptible customers to have a certain amount of alternative fuel on hand and that utility tariffs be revised to include a higher rate for customers that failed to comply with the revised requirements. Subsequently, the Commission's Order Directing Utilities To File Revised Interruptible Gas Service Tariffs was issued August 24, 2000 in Case 00-G-0996.

#### Customer Notification

Pursuant to Ordering Clause No. 2, the Company will send a certified letter to all interruptible customers no later than September 15, 2000, return receipt requested, informing them of the tariff revisions contained in this filing.

#### Plan for Physical Spot Checks

Pursuant to Ordering Clause No. 3, the Company will conduct physical spot checks through visual inspection and customer consultation of affected customers' facilities. The Company intends to check approximately 65% of its customers in the Goshen Area and Oneonta District where the likelihood of interruption is the greatest. The Company will check approximately 30% of its customers' facilities in all other areas and districts.

#### Treatment of Premium Revenues

In the Order, the Commission requires that the difference between the traditional rate and the alternative rate be refunded to customers. Currently, as part of the Multi-Year Settlement Agreement Concerning the Gas Rates of New York State Electric & Gas Corporation (the "Agreement"), Case 98-G-0845, NYSEG does not employ a Gas Adjustment Clause. As a result, NYSEG does not have a readily available mechanism whereby revenues may be credited to customers. Additionally, NYSEG would note that the associated revenues are expected to be minor. Therefore, NYSEG proposes to credit the unbilled revenue pool with revenues associated with the non-compliance premium for future disposition to customers.

#### Newspaper Publication & SAPA

Pursuant to Ordering Clause No. 1 of the Commission's August 24, 2000 order, the requirement of Section 66(12)(b) of the Public Service Law as to newspaper publication has been waived.

#### Company Contacts

Questions regarding this filing should be addressed to me at (607) 762-4296 or Steve Adams at (607) 762-5611.

Very truly yours,

/dlv

Encls.

Cy.: Alan F. Mostek, PSC

Daniel L. Verdun

Manager - State & Federal Gas Regulatory Matters