

June 16, 2004

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brillling, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

Re: Case No. 02-E-1061, NYSEG Street Lighting

Dear Secretary Brillling:

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

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

Leaf No. 2, Revision 1  
Leaf No. 7, Revision 1  
Leaf No. 8, Revision 1  
Leaf No. 9, Revision 1  
Leaf No. 10, Revision 1  
Leaf No. 11, Revision 1  
Leaf No. 12, Revision 1  
Leaf No. 13, Revision 1  
Leaf No. 17, Revision 1  
Leaf No. 19, Revision 1  
Leaf No. 20, Revision 1  
Leaf No. 21, Revision 1  
Leaf No. 22, Revision 2  
Leaf No. 22.1, Revision 1  
Leaf No. 24, Revision 1  
Leaf No. 25, Revision 1  
Leaf No. 26, Revision 1  
Leaf No. 27, Revision 1  
Leaf No. 28, Revision 1  
Leaf No. 30, Revision 1  
Leaf No. 31, Revision 1  
Leaf No. 32, Revision 1  
Leaf No. 33, Revision 1  
Leaf No. 34, Revision 2  
Leaf No. 34.1, Revision 1  
Leaf No. 34.2, Revision 1

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Leaf No. 35, Revision 1  
Leaf No. 37, Revision 1  
Leaf No. 38, Revision 1  
Leaf No. 40, Revision 1  
Leaf No. 45, Revision 1  
Leaf No. 55 Revision 1  
Leaf No. 58, Revision 1  
Leaf No. 59, Revision 1  
Leaf No. 60, Revision 1  
Leaf No. 61, Revision 1

Effective: October 1, 2004

### Background

On August 26, 2002, the Commission issued its "Order Granting Formal Hearing and Instituting Proceedings" ("Order"), which commenced four proceedings related to NYSEG's street lighting services: Case Nos. 00-E-0105, 00-E-0106, 02-E-1060 and 02-E-1061. The first two aforementioned cases were intended to address NYSEG's appeals from informal review decisions involving street lighting service to the Town of Ithaca and the City of Geneva, respectively. The Commission also found that the outcome of those cases could affect similarly situated street lighting customers, and, therefore, commenced Case No. 02-E-1060 to consider, among other things, the past billings for street lighting service by NYSEG.

In addition to instituting the three proceedings to consider past billings for street lighting service, the Commission also commenced Case No. 02-E-1061, to consider revisions to the practices and tariffs of NYSEG with respect to street lighting service. The Commission found that, in this proceeding to resolve prospective issues, it "is appropriate to consider what changes in operating procedures and tariffs should be adopted to provide for both proper billing and expeditious responses to customer requests for equipment changes."

Pursuant to the Order, NYSEG mailed a copy of the Order to every street lighting customer of NYSEG, and based upon interventions and other expressions of interests, the Administrative Law Judge ("ALJ") Joel Linsider established an active parties service list that included three (3) authorized representatives, eventually appearing on behalf of approximately 100 municipalities, and one municipality appearing on its own behalf.

NYSEG entered into settlement discussions in order to settle the issues in Cases Nos. 00-E-0105, 00-E-0106 and 02-E-1060. During settlement discussions in Case Nos. 00-E-0106 and 02-E-1060, Administrative Law Judge ("ALJ") Linsider was asked to issue interpretative statements on two of the issues identified in the Commission's Order. ALJ Linsider issued an "Interpretative Statement on Inter-Account Netting and on Interest

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Rate to be Applied to Refunds” on May 30, 2003, which statement was a significant factor that helped the parties reach a settlement for the majority of the active party customers. In December 2004, ALJ Linsider retired, and the Commission appointed ALJ Bouteiller to preside over the remainder of the NYSEG street lighting proceedings.

On Wednesday, January 28, 2004, the active parties met in Albany with ALJ Bouteiller, in order to provide ALJ Bouteiller with a status of the cases, and to discuss the procedural aspects of revising NYSEG’s street lighting tariffs in compliance with the Order. At that conference, NYSEG proposed that the parties meet in a collaborative setting in order to consider prospective changes. The active parties agreed to a procedural schedule, memorialized by ALJ Bouteiller in his “Ruling Establishing Collaborative Process and Adopting Case Schedule,” dated February 2, 2004 (“Ruling”).

Case No. 02-E-1060 remains open in connection with approximately 30 municipalities, represented by two authorized representatives, retained to act on behalf of the municipalities (“authorized representatives”), and the parties are discussing settlement. In the event settlements are not reached, ALJ Bouteiller has issued rulings establishing litigation schedules.

In accordance with the Ruling, any issues or items that the parties thought should be addressed by NYSEG were to be received by NYSEG by February 18, 2004. Although NYSEG did not receive any comments from the parties, the active parties, as well as Staff of the Department of Public Service (“Staff”), met on March 4, 2004 in Albany for the first collaborative session. Thereafter, there were two technical conferences, on March 25, 2004 and April 22, 2004, in order for the parties to discuss NYSEG’s proposed changes and any party’s comments in an attempt to reach a consensus. The active parties also participated in a telephone conference on May 10, 2004, with ALJ Bouteiller, in which they explained that NYSEG had proposed several tariff changes, as well as revising some of its street lighting business procedures, and had received comments during the collaborative sessions from the parties on the proposed changes to the tariffs and business procedures. NYSEG proposed, and ALJ Bouteiller agreed, that NYSEG should submit its tariff changes on June 16, 2004, so that the Commission could consider the proposed tariff changes during its August Open Session.

#### Purpose of the Filing

The Company is filing clarifications to its tariffs, as described below, as a result of the Order. NYSEG believes that these clarifications will resolve the concerns raised by the Commission in the Order, and help to ensure proper street lighting billing and an expeditious response to customer requests for equipment changes.

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### Details of Tariff Revisions

The tariff revisions that NYSEG proposes herein will clarify NYSEG's street lighting procedures and delineate the service obligations applicable to the Company and municipalities, with the intent of reducing future misunderstandings or misinterpretations of the street lighting tariff.

The following details of proposed tariff revisions are organized into three separate categories: Policy Matters, Clarifying Changes and Housekeeping changes:

#### *Policy Matters*

The Company is proposing revisions to Leaf No. 7, Section 4., Non Standard Equipment, to disallow non-standard equipment that is not metered. If a municipal customer wants to install non-standard equipment, NYSEG will charge on a metered basis, pursuant to the appropriate service class in PSC No. 120. This is more efficient than the procedure in the current tariff. Operationally, the current tariff requirements are administratively burdensome because NYSEG must review each request for non-standard service and determine the appropriate rate. The proposed revision will allow NYSEG to bill any municipality requesting non-standard equipment in the same manner that it bills traffic lighting. NYSEG is also revising Section 6., Customer Requested Conversion of Existing Lighting, to clarify that the "Existing Lighting" referred to is Company owned street lighting luminaires, as served under Service Classification No. 3.

On Leaf No. 9, NYSEG is proposing changes in its Application for Street Lighting Service section that distinguish between a customer who is initiating service, establishing a new street lighting district or changing service classifications, as compared to an existing street lighting customer who is requesting changes to its service. NYSEG clarified the procedures a new customer should follow on Leaf No. 9, Section 13.A., New Service, New Street Light District or Different Service Classification, and added a new section, inserted on Leaf No.13, Customer with Existing Service, setting forth procedures for customers with existing street lighting service to request a change.

The "Application for New Street Lighting Service" is set forth on Leaf Nos. 10 through 12. NYSEG is proposing clarifying changes, as well as incorporating language that explains the Company's policy relative to the service and notice obligations in connection with Customer owned facilities, in order to alleviate future complaints of the nature that the Commission addressed in its Order.

As stated above, Section 13.B., "Customer with Existing Service", has been inserted on Leaf No. 13. An existing customer will not be required to submit another application to request a change to their existing street lighting service. Instead, an existing customer will be required to submit written authorization on customer letterhead when requesting changes to its street lighting service. Also, NYSEG clarified the Late Payment Charge applicable to State Agencies set forth in Section 14.B.2.

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Service Classification No. 2 is applicable to a customer that owns its street lighting luminaires. It is the customer's responsibility to maintain not only the equipment and facilities, with the exception of the bulb and eye of the luminaire, but also the appropriate property and other records related to the equipment. NYSEG bills the customer based upon information provided by the customer to the Company relative to the customer's street lighting facilities. Therefore, the customer's maintenance of appropriate records, and imparting the information on those records to the Company, is important and necessary to ensure accurate billing. To avoid future misunderstandings, this requirement has been set forth within the Special Provisions in Service Classification No. 2, on Leaf No. 38.

The Company is proposing to discontinue Special Provisions C. and D. for new installations under Service Classification No. 3. These provisions were instituted when PSC No. 118 became effective in 1987. Since their initiation, no customer has utilized these Special Provisions. The Company also believes that use of these provisions could lead to confusion relative to the service obligations of the Company and the customer, which is contrary to the goals of this filing.

*Clarifying changes*

Within each Service Classification, the Company is proposing clarifying revisions to the following provisions:

- The Minimum Monthly Charge language has been revised to more clearly state how the minimum charge is developed;
- The Company will make every effort to repair lamp outages within three business days after notice has been received by the Company;
- The term "unit prices" has been more appropriately titled Charges;
- Special Provision A has been further developed to specify other facilities necessary for street lighting service, not just luminaires. This and other provisions are also applicable to removal of street lighting facilities as well as the addition of street lighting facilities.

NYSEG is also proposing to clarify the Company's methodology for billing customers for poles installed for street lighting service. The Company bases its charges on the gross pole length prior to installation, with the exception of a limited number of grandfathered poles with bases. The Company does not generally bill a customer based on its visible mounting height above the finished grade.

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*Housekeeping Changes*

The Table of Contents on Leaf No. 2 has been updated to reflect changes described herein.

At the time PSC No. 90, NYSEG's General Information Schedule – Electricity, was superseded by PSC No. 119 for electronic filing purposes, the Company inadvertently did not update Leaf No. 8 of PSC No. 121.

On Leaf No. 9, NYSEG is removing reference to the Company's generating system since the Company has divested its generation as a result of Case No. 96-E-0891. Therefore, a reference to changes or repairs to NYSEG's generating system is no longer appropriate.

Within PSC No. 121, the Company is proposing to delete "Per Meter, Per Month" from Leaf Nos. 17, 19, 20, 21, 22, 22.1, 27, 30, 31, 33, 34, 34.1, 34.2, 40, 45, and 55. Since PSC No. 121 – Electricity Schedule for Electric Service Street Lighting is applicable to unmetered service, and the Charges for service are annual Charges, this language, inadvertently carried over from PSC No. 115 and then PSC No. 120, is not appropriate and should be removed.

Also on Leaf Nos. 17, 19, 20, 21, 22, 28, 31, 32, 33, and 35 of PSC No. 121, the Company is correcting a typographical error within the table. The Company does not offer a 450-watt Metal Halide luminaire; the Company offers a 400-watt Metal Halide luminaire.

Lastly, the Company is proposing to correct the language on Leaf No. 26 of PSC No. 121. The Corporation owned facilities referenced in the initial paragraph should be those facilities that were installed or contracted for prior to October 25, 1981, the effective date of PSC No. 117, the Company's initial street lighting tariff. The effective date was inadvertently updated (to 1987) when PSC No. 118 was filed, and carried forward when PSC No. 121 became effective.

Concerns Raised by Other Parties

During the collaboration, parties raised concerns relative to the responsibilities and obligations of the Company and its customers. In drafting these revised tariffs, the Company sought input from its customers and their authorized representatives. Street lighting service is, and continues to be, an evolving business. Since the late 1990's, experience has provided the Company valuable information to enhance its operating procedures. As discussed above, the Company participated in collaborative meetings with the parties and members of Staff to develop these proposed revisions. The clarifications provided herein should provide customers with a clearer understanding of the responsibilities and obligations of the Company, as well as the customers it serves.

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NYSEG received a comment outside of a collaborative meeting from an authorized representative stating that the tariff revisions were not extensive enough. That authorized representative, however, did not provide specific comments as to what it thought should be changed in the tariff, or in NYSEG's business procedures. If any party had comments or concerns about the tariff revisions, the appropriate forum to raise those was the collaborative sessions. The Company specifically asked for comments or concerns about the tariff revisions, and circulated several drafts of the tariffs in order to address any valid concerns raised in those collaborative meetings, as well as additional revisions that the Company thought were necessary because of comments heard in those meetings. The issue of addressing billing changes for summary billed customers was raised by the authorized representatives and was appropriately addressed by the Company. The Company appreciates the collaborative efforts put forth by Staff and the parties.

NYSEG believes that the foregoing revisions and clarifications address the concerns raised by the Commission in the Order. These tariff changes, in conjunction with the new system in place at NYSEG to update the street lighting billing data, should permit the Company to provide its customers with accurate street lighting bills.

#### Publication

The Company requests that the requirement of § 66(12)(b) of the Public Service Law and 16 NYCRR §720-8.1 as to newspaper publication be waived because the Company is mailing a copy of this tariff filing to each of its customers taking service pursuant to PSC No. 121 – Electricity, Schedule for Electric Service Street Lighting, or to the municipality's authorized representative.

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

#### Company Contacts

Please direct any questions pertaining to this filing to Lori Cole at (607) 762-8710 or to me at (607) 762-7341.

Very truly yours,

Christine M. Stratakos  
Manager, Pricing & Analysis