



November 30, 2011

VIA ELECTRONIC FILING

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

Re: 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 Brillling:

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, 2012. 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 ("SBCIV Order"), in Case 10-M-0457, issued and effective October 24, 2011. The Energy Efficiency Portfolio Standard portion of the surcharge is updated in accordance with the 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.

PSC No. 120 – Electricity, Schedule for Electric Service
SBC Statement No. 8

PSC No. 121 – Electricity, Schedule for Electric Service Street Lighting
SBC Statement No. 8

PSC No 19 – Electricity, Schedule for Electric Service
SBC Statement No. 15

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PSC No 18 – Electricity, Schedule for Electric Service Street Lighting
SBC Statement No. 15

PSC No. 87 – Gas, Schedule for Gas Service
SBC Statement No. 7

PSC No. 88 – Gas, Schedule for Gas Service Transportation
SBC Statement No. 7

PSC No. 16 – Gas, Schedule for Gas Service
SBC Statement No. 7

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, 2012.

SBC IV Rate Design:

The SBCIV Order provides for the continuance of the SBC surcharge through December 31, 2015. In accordance with Ordering Clause 8, the electric System Benefits Charge is continued and the level of overall SBC electric revenue collections is to be collected in the manner shown in Appendix B, Table 1 of the SBCIV Order.

NYSEG Electric

As provided in its June 1, 2011 reconciliation report for NYSEG, the Company over-collected \$256,348 for the cumulative period July 1, 2006 through December 31, 2010. This amount was carried forward in the calculation of the January 1, 2012 rate. The Company started with the collection level established by the SBCIV Order and adjusted that amount to account for the reconciliation of SBC III revenues for the time period July 1, 2006 through December 31, 2010 plus the projected over-collection for 2011 of \$2,955,451. The 2011 over-collection is due to the SBCIII rate being set at zero on February 1, 2011 per the December 30, 2010 Order¹. The December 2010 Order also deferred collection of 2011 SBCIII amounts to 2012 and 2013. The 2012 deferred portion of SBCIII collections in the amount of \$10,591,697 is also included in the January 1, 2012 rates. This resulted in an updated collection amount of \$15,227,358 for January 1 through December 31, 2012.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2012, resulting in a SBC IV surcharge of \$0.001028 per kWh.

¹ Case 10-M-0457, Order Continuing System Benefit Charge Funded Programs, issued and effective December 30, 2010 ("December 2010 Order").

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RG&E Electric

As provided in its June 1, 2011 reconciliation report for RG&E, the Company over-collected \$850,396 for the cumulative period July 1, 2006 through December 31, 2010. This amount was carried forward in the calculation of the January 1, 2012 rate. The Company started with the collection level established by the SBCIV Order and adjusted that amount to account for the reconciliation of SBC III revenues for the time period July 1, 2006 through December 31, 2010 plus the projected over-collection for 2011 of \$350,193. The 2011 over-collection is due to the SBCIII rate being set at zero on February 1, 2011 per the December 2010 Order. The December 2010 Order also deferred collection of 2011 SBCIII amounts to 2012 and 2013. The 2012 deferred portion of SBCIII collections in the amount of \$4,711,023 is also included in the January 1, 2012 rates. This resulted in an updated collection amount of \$7,297,232 for January 1 through December 31, 2012.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2012, resulting in a SBC IV surcharge of \$0.000994 per kWh.

In previous filings, RG&E had lagged its collection period to be February through January instead of on a calendar year basis. Commencing with the current filing, RG&E's collection period for SBCIV will be January through December.

EEPS Rate Design:

The EEPS Order provides for the continuance of the EEPS surcharges through December 31, 2015.

Electric

In accordance with Ordering Clause 13, the Energy Efficiency portion of the electric System Benefits Charge (SBC) is continued and the overall level of SBC electric revenue collections is to be collected in the manner shown in Table 4 of Appendix 2. In addition, the surcharge calculation for each Company also includes amounts from the EEPS Orders issued on October 23, 2009 and January 4, 2010.

NYSEG Electric

As provided in its June 1, 2011 reconciliation report for NYSEG, the Company over-collected \$402,880 for the cumulative period October 1, 2008 through December 31, 2010. This amount was carried forward in the calculation of the January 1, 2012 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2010 plus the projected under-collection for 2011 of \$46,189. This resulted in an updated collection amount of \$15,922,707 for January 1 through December 31, 2012.

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That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2012, resulting in a surcharge of \$0.001075 per kWh for the EEPS portion of the SBC.

RG&E Electric

As provided in its June 1, 2011 reconciliation report for RG&E, the Company over-collected \$241,125 for the cumulative period of October 1, 2008 through December 31, 2010. This amount was carried forward in the calculation of the January 1, 2012 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2010 plus the projected under-collection for 2011 of \$226,630. This resulted in an updated collection amount of \$9,713,297 for January 1 through December 31, 2012.

That amount was then divided by the kWh sales forecast subject to the SBC for the January through December 2012, resulting in a surcharge of \$0.001324 per kWh for the EEPS portion of the SBC.

Gas

In accordance with Ordering Clause 14, the gas System Benefits Charge (SBC) is continued and the overall level of SBC gas revenue collections is to be collected in the manner shown in Table 8 of Appendix 2. In addition, the surcharge calculation for each Company also includes amounts from the EEPS Orders issued on October 23, 2009 and January 4, 2010.

NYSEG Gas

As provided in its June 1, 2011 reconciliation report for NYSEG, the Company under-collected \$17,562 for the cumulative period October 1, 2008 through December 31, 2010. This amount was carried forward in the calculation of the January 1, 2012 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2010 plus the projected over-collection for 2011 of \$ 251,170. This resulted in an updated collection amount of \$1,430,372 for January 1 through December 31, 2012.

That amount was then divided by the therm sales forecast subject to the SBC for the January through December 2012, resulting in a SBC of \$0.002777 per therm.

RG&E Gas

As provided in its June 1, 2011 reconciliation report for RG&E, the Company under-collected \$25,259 for the cumulative period October 1, 2008 through December 31, 2010. This amount was carried forward in the calculation of the January 1, 2012 rate. The Company started with the collection level established by the EEPS Orders and adjusted that amount to account for the reconciliation of EEPS revenues for the time period October 1, 2008 through December 31, 2010 plus the projected over-collection for 2011 of \$497,631.

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This resulted in an updated collection amount of \$4,950,895 for January 1 through December 31, 2012.

That amount was then divided by the therm sales forecast subject to the SBC for the January through December 2012, resulting in a SBC of \$0.010251 per therm.

As specified in the Orders, newspaper publication requirements of Public Service Law Section 66(12)(b) have been waived. Please direct any questions pertaining to this filing to Carolyn Sweeney at (585) 771-4809 or to Kathy Grande at (585) 771-4514.

Very truly yours,



Lori A. Cole
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Rates & Regulatory Economics

Enclosures