



October 28, 2011

**VIA ELECTRONIC FILING**

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

Re: Case 11-E-0176 – New York State Electric & Gas Corporation and  
Rochester Gas and Electric Corporation Compliance Filings

Dear Secretary Brilling:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E") (together the "Companies") are transmitted for filing in compliance with Ordering Clause 1 of the New York Public Service Commission's (the "Commission") Order Directing Certain Utilities to Submit Tariff Amendments, issued and effective on September 19, 2011 (the "Order")<sup>1</sup>. This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) of the New York State Public Service Commission's ("PSC" or "Commission") Codes, Rules and Regulations (16 NYCRR Appendix 7-H). A listing of the proposed revised tariff leaves is enclosed as Attachment A.

**Background**

The New York State 2011-2012 budget includes a provision called the Recharge New York Power Program Act ("RNY"). RNY amends certain sections of the New York Public Authorities Law and the Economic Development Law creating a new economic development program whereby the New York Power Authority ("NYPA") is authorized to provide up to 910 MW of lower cost power to eligible industrial and commercial customers beginning July 1, 2012. Customers will also be eligible for discounted utility rates for the delivery of RNY power. In accordance with the Order, the enclosed tariff amendments implement the discounted delivery rates for the delivery of RNY power allocations by NYSEG and RG&E to eligible participants, as well as the terms and conditions of service related to the provision of RNY power.

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<sup>1</sup> By letter dated September 30, 2011 Secretary Brilling granted an extension to utilities to file tariff amendments on not less than one day's notice to become effective November 1, 2011.

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Overview of the Filing

The tariff amendments set forth the requirements for a commercial or industrial customer to participate in RNY. NYPA will offer each eligible customer an allocation of RNY power comprised of 50% firm hydroelectric power (i.e. capacity and energy) from the Niagara and Saint Lawrence hydroelectric projects, and 50% market power (i.e. capacity and energy). The customer may purchase the entire allocation or only the hydropower portion allocation. If the customer elects the entire allocation and chooses not to purchase the market power from NYPA, the RNY market power will be supplied by the customer's current commodity supplier, either an Energy Services Company ("ESCO") or NYSEG/RG&E. The customer's current commodity supplier will continue to provide default or supplemental electric supply for the portion of the load that is not met by the RNY allocation. Such power that is procured from an ESCO will be done in accordance with the Companies' applicable retail access rules and procedures.

The tariff amendments also set forth the discounted delivery rates for the delivery of RNY power allocations to participants. The customer's allocation of RNY power will be exempt from paying the following surcharges: System Benefits Charge ("SBC"), Energy Efficiency Portfolio Standard ("EEPS"), and the Renewable Portfolio Standard ("RPS"). Furthermore, the RNY allocation will be exempt from the Companies' Revenue Decoupling Mechanism ("RDM") Adjustment.

The Order requires the utilities to provide load splitting services for customers participating in the RNY Power Program. The enclosed tariffs include provisions for load splitting for the Companies' non-residential demand-billed customers. Customers that take service under the Companies' non-residential non-demand-billed service classifications are unable to participate in RNY since these customers generally do not have a demand meter.

The Order provides for Utilities to file tariff amendments to include a customer charge or similar mechanism to recovery any incremental costs for providing service to RNY program participants. The Companies are reviewing its incremental costs associated with implementing the RNY Power Program and will update its filings as appropriate.

Publication

In compliance with Ordering Clause 5, the requirements of Section 66(12)(b) of the Public Service Law regarding newspaper publication is waived.

If there are any questions concerning this filing, please call Sue Morien at (585) 771-4741 or me at (607) 762-8710.

Respectfully submitted,



Lori A. Cole  
Manager - Regulatory & Tariffs  
Rates and Regulatory Economics Department

Enclosures

Case 11-E-0176  
List of Proposed Tariff Amendments

PSC No. 19 – Electricity

Leaf No. 3, Revision 7  
Leaf No. 85.3, Revision 3  
Leaf No. 85.4, Revision 0  
Leaf No. 85.5, Revision 0  
Leaf No. 168, Revision 4  
Leaf No. 192, Revision 2  
Leaf No. 198, Revision 2  
Leaf No. 250, Revision 1

PSC No. 120 – Electricity

Leaf No. 2, Revision 10  
Leaf No. 27, Revision 5  
Leaf No. 27.1, Revision 0  
Leaf No. 27.2, Revision 0  
Leaf No. 42, Revision 4  
Leaf No. 59, Revision 7  
Leaf No. 117.13, Revision 6  
Leaf No. 136, Revision 8  
Leaf No. 141, Revision 8  
Leaf No. 164, Revision 7  
Leaf No. 168, Revision 11  
Leaf No. 226, Revision 7  
Leaf No. 237, Revision 7  
Leaf No. 294.12, Revision 1