



Lori A. Cole  
Manager – Regulatory and Tariffs

October 27, 2017

**VIA ELECTRONIC FILING**

Honorable Kathleen H. Burgess, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 12-E-0400 – Petition of Cayuga Operating Company, LLC to Mothball  
Generating Units 1 and 2

Dear Secretary Burgess:

New York State Electric & Gas Corporation ("NYSEG" or the "Company") hereby transmits for filing the enclosed Reliability Support Services ("RSS") Statements to become effective November 1, 2017, in compliance with the New York State Public Service Commission's ("Commission") Order Deciding Reliability Need Issues and Addressing Cost Allocation and Recovery, issued and effective January 16, 2014 ("the Order"), in the above referenced proceeding. These statements are submitted in compliance as identified herein and in accordance with the requirements of Appendix 7-H (electronic tariff filing system) to the Commission's Codes, Rules and Regulations (16 NYCRR Appendix 7-H).

NYSEG – PSC No. 120  
RSS Statement No. 8

NYSEG – PSC No. 121  
RSS Statement No. 8

In accordance with NYSEG's electric tariff, Section 3 of PSC 120-Electricity, the Company is resetting the RSS surcharge effective November 1, 2017 to refund the current (\$650,080) RSS deferral balance, which will result in a credit to customers. The credit will be applied on a per kWh basis for non-demand billed customers, a per kW basis for demand billed customers, and a per as-used demand basis for standby customers. The Company expects this RSS surcredit to be the final billing. Any remaining RSS deferral balance will be held by the Company for future recovery or return to customers.

It should be noted that a provision within the RSS Agreement survives termination of the RSS Agreement for a period of five (5) years that could provide further benefits to

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customers beyond the contract term. Any benefits that occur due to this provision will be deferred by the Company for future return to customers.

If you have any questions related to this filing, please contact Patti Beaudoin at 607.762.7061.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lori A. Cole".

Lori A. Cole

Enclosures