



Lori A. Cole  
Manager – Regulatory and Tariffs

June 15, 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 09-M-0311 – Implementation of Chapter 59 of the Laws of 2009  
Establishing a Temporary Annual Assessment Pursuant to Public Service  
Law §18-a(6)

Dear Secretary Burgess,

New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) (together the “Companies”) hereby transmit for filing the revised Temporary State Assessment Statements (“TSAS”) in compliance with the New York State Public Service Commission’s (“Commission”) Order Implementing Revised Temporary State Assessment, issued and effective June 18, 2014 (the “Order”), in the above referenced proceeding. These tariff leaves are transmitted for filing 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).

The proposed changes are to become effective July 1, 2017. A listing of the revised tariff statements are as follows:

**NYSEG**

- PSC No. 87 - Gas, Schedule for Gas Service TSAS No. 9
- PSC No. 88 - Gas, Schedule for Gas Service, Transportation TSAS No. 10
- PSC No. 120 - Electricity, Schedule for Electric Service - TSAS No. 10
- PSC No. 121 - Electricity, Schedule for Electric Service, Street Lighting - TSAS No. 10

**RG&E**

- PSC No. 16 - Gas, Schedule for Gas Service TSAS No. 11
- PSC No. 18 - Electricity, Schedule for Electric Service, Street Lighting - TSAS No. 9
- PSC No. 19 - Electricity, Schedule for Electric Service - TSAS No. 10



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Background

On April 7, 2009, the Temporary State Energy and Utility Service Conservation Assessment ("TSA") was put into place by Chapter 59 of the Laws of 2009, which added Public Service Law (PSL) §18-a(6). On June 19, 2009, the Commission issued an Order that allowed utilities to institute a surcharge to collect the TSA, on behalf of the Department of Public Service (the "Department"), for a period of July 1, 2009 to June 30, 2014.

In April 2013, the Legislature amended PSL §18-a(6) by extending the TSA through March 2017, while decreasing it over time. In 2014, the Legislature further amended PSL §18-a(6) to reduce the TSA rate applied to intrastate gross operating revenues from 2% to 1.63% for Fiscal Year 2014-2015. The TSA rate is further reduced to 1.0% for Fiscal Year 2015-2016, and 0.73% for Fiscal Year 2016-2017. For Fiscal Year 2017-2018, the TSA will be one-half of the TSA paid in Fiscal Year 2016-2017, with full collections from customers by December 31, 2017.

Overview of the Companies' Calculations for surcharges effective July 1, 2017

The Order implemented the amendments to PSL §18-a(6) by authorizing the utilities to continue to collect the surcharge through December 31, 2017. The surcharges will continue to be allocated to customers on a revenue basis using the rate design concepts that were adopted in 2009.

The Order sets forth different methodologies, dependent on whether the utilities have under-collected or over-collected the TSA. Pursuant to the Order, and based upon the Companies' current collections, the Companies have updated the surcharges as described below.

The total amounts to be collected are one-half of the temporary assessment paid in Fiscal Year 2016-2017 plus the Fiscal Year 2017-2018 general assessment less the amount of the general assessment currently included in base rates, plus carrying charges and an amount for uncollectibles, plus or minus the deferred under/over-collection balances. The resulting surcharges are set on a service class basis.

Publication

As specified in Ordering Clause No. 4, newspaper publication requirements of Public Service Law section 66(12)(b) have been waived.

Company Contacts

If there are any questions concerning this filing, please call Kathy Grande at (585) 771-4514 or me at (607) 762-8710.

Respectfully Submitted,



Lori A. Cole

Enclosures